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LEGISLATIVE HISTORY

Public Law 729--77th Congress

Chapter 578--2d Session

H. R. 7565

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EMERGENCY PRICE CONTROL ACT AMENDMENT. Directs the President, by November 1, 1942, to stabilize prices, wages, salaries, etc., through any Government agency, so far as practicable on the basis of September 15, 1942 levels, and to make adjustments to aid in the war or to correct gross inequities. Prohibits ceilings on farm commodities or their products below (1) parity or comparable prices or (2) highest prices received between January 1 and September 15, 1942, adjusted for grade, location, and seasonal differentials. Permits the President to correct gross inequities but prohibits this power from being used to establish maximum prices below parity or comparable prices. Requires modifications in price ceilings on farm commodities or their products when necessary to increase production for war purposes or where such maximum prices will not reflect increased labor or other costs incurred since January 1, 1941. Requires a fair and equitable profit margin to be allowed in fixing prices on farm commodities or their products, and requires adequate weighting to be given to farm labor. Prohibits wage-salary control (1) inconsistent with Fair Labor Standards Act or National Labor Relations Act, or (2) to reduce wages or salaries below the highest paid between January 1 and September 15, 1942, except to correct gross inequities and aid in the war. Provides that the above provisions shall terminate on June 30, 1944, or such earlier date as Congress or the President may determine, and extends the life of the Price Control Act to June 30, 1944. Directs Commodity Credit Corporation to make loans available on cotton, corn, wheat, rice, tobacco, and peanuts harvested after December 31, 1941, and within 2 years after the war ends (if producers have not disapproved marketing quotas) as follows: (1) to cooperators (except those outside the commercial corn-producing area in the case of corn) at 90% of parity; (2) to cooperators outside the commercial corn-producing area, in the case of corn, at 75% of the rate specified in (1); to noncooperators (except those outside the commercial corn-producing area in the case of corn) at 60% of the rate specified in (1) and only on so much of the commodity as would be subject to penalty. Permits the President to fix loans on any commodity at the present rate if necessary to prevent an increase in the cost of livestock-poultry feed and to aid in the war.

INDEX AND SUMMARY OF HISTORY ON H. R. 7565

- September 14, 1942 H. R. 7547 was introduced by Rep. Steagall and was referred to the House Committee on Banking and Currency. Print of the bill as introduced. (Similar bill)
- S. J. Res. 161 was introduced by Senator Brown and was referred to the Senate Committee on Banking and Currency. Print of the bill as introduced. (Companion bill).
- September 15, 1942 Hearings: Senate, S. J. Res. 161.
- September 17, 1942 Amendments proposed by Senators Taft, Overton and Danaher to S. J. Res. 161. Prints of the amendments.
- September 19, 1942 S. J. Res. 161 was reported with amendments. Senate Report 1609. Print of the bill as reported.
- September 21, 1942 House Committee reported H. R. 7565 without amendment. House Report 2472. Print of the bill as reported.
- H. Res. 540 was reported for the consideration of H. R. 7565. Print of the resolution.
- Amendments proposed by Senators Ball, Hatch, McKellar, Norris, Tunnell, Thomas and Tanager, to S. J. Res. 161.
- Senate began debate on S. J. Res. 161.
- September 22, 1942 Amendments to S. J. Res. 161 proposed by Senators Butler, Hall and Wiley. Prints of the amendments.
- Senate debate continued, on S. J. Res. 161.
- House debate began on H. R. 7565.
- September 23, 1942 Amendments to S. J. Res. 161 proposed by Senators Clark and Norris. Prints of the amendments.
- Senate debate continued on S. J. Res. 161.
- House debated and passed H. R. 7565 with amendment.
- September 24, 1942 Print of H. R. 7565 as passed the House.
- Amendments to S. J. Res. 161 proposed by Senators Downey and O'Mahoney. Prints of the amendments.
- September 24, 1942 Senate debate continued on S. J. Res. 161.

77TH CONGRESS
2D SESSION

H. R. 7547

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 1942 ✓

MR. STEAGALL introduced the following bill: which was referred to the Committee on Banking and Currency

A BILL

To amend the Emergency Price Control Act of 1942, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 3 (a) of the Emergency Price Control Act of
4 1942 is amended by inserting after the words "established or
5 maintained" the words "by the Administrator" and by insert-
6 ing after such subsection the following paragraphs:

7 "The President is authorized, whenever in his judgment
8 the price or prices of any agricultural commodity or commodi-
9 ties have risen or threaten to rise to an extent or in a manner
10 inconsistent with the purposes of this Act, to establish by

1 regulation or order such maximum price or prices therefor as
2 in his judgment will be generally fair and equitable and will
3 effectuate the purposes of this Act, but no maximum price for
4 any agricultural commodity, regardless of the purpose for
5 which produced or used, shall be established by the President
6 (1) which will reflect to the producers of such commodity a
7 price less than 100 per centum of the parity price therefor,
8 or less than 100 per centum of the comparable price therefor
9 if a comparable price has been established under subsection
10 (b), as determined and provided by the Secretary of Agri-
11 culture and adjusted by the Secretary for grade, location, and
12 seasonal differentials, or (2) which is lower than the highest
13 price for such commodity (regardless of the purpose for which
14 produced or used) at any time during the calendar year 1942
15 prior to the date of the enactment of this paragraph. All
16 provisions of this Act applicable in respect of regulations and
17 orders of the Administrator under section 2 shall be applicable
18 in respect of regulations and orders issued by the President
19 under this paragraph.

20 "For purposes of this Act, parity prices and compa-
21 rable prices shall be determined so as to include all costs
22 of production, including the cost of labor, with all labor
23 included and the wage rates used for all labor to be the
24 same as the general average of wage rates for hired farm
25 labor."

1 SEC. 2. (a) Title I of the Emergency Price Control
2 Act of 1942 is amended by inserting at the end thereof the
3 following new section:

4 "SALARIES AND WAGES

5 "SEC. 6. The President is authorized and directed to
6 establish by regulation or order such maximum salaries and
7 industrial wages as will bring about and maintain a fair and
8 equitable relation between such salaries and industrial wages
9 and the maximum prices for agricultural commodities estab-
10 lished under this Act. All provisions of this Act applicable in
11 respect of regulations and orders of the Administrator under
12 section 2 shall be applicable in respect of regulations and
13 orders issued by the President under this section."

14 (b) Section 302 (c) of such Act is amended by insert-
15 ing after "*Provided, That*" the following: ", except as pro-
16 vided in section 6,".

17 SEC. 3. The Act entitled "An Act to extend the life and
18 increase the credit resources of the Commodity Credit Cor-
19 poration, and for other purposes," approved July 1, 1941
20 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a-8), is
21 amended by inserting at the end thereof the following new
22 section:

23 "SEC. 5. The Secretary of Agriculture is authorized
24 and directed to make loans and purchases and to carry on
25 other operations with respect to nonbasic agricultural com-

1 commodities for which he finds it necessary to encourage the
2 expansion of production and with respect to basic agricul-
3 tural commodities, harvested after December 31, 1941, and
4 before the expiration of the three-year period beginning with
5 the 1st day of January immediately following the date upon
6 which the President proclaims the termination of hostilities
7 in the present war, regardless of the purpose for which such
8 commodities are produced or used, so as to support the price
9 for the producers of such commodities at not less than 100
10 per centum of the parity price therefor, or at not less than
11 100 per centum of the comparable price therefor if a com-
12 parable price has been established under this Act. In the
13 case of agricultural commodities on which loans are made,
14 such loans shall be made at 100 per centum of the parity
15 price therefor, or at 100 per centum of the comparable price
16 therefor if a comparable price has been established under
17 this Act. For purposes of this section, parity prices and
18 comparable prices shall be determined so as to include all
19 costs of production, including the cost of labor, with all labor
20 included and the wage rates used for all labor to be the
21 same as the general average of wage rates for hired farm
22 labor."

77TH CONGRESS
2d Session

H. R. 7547

A BILL

To amend the Emergency Price Control Act of
1942, and for other purposes.

By Mr. STEAGALL

SEPTEMBER 14, 1942

Referred to the Committee on Banking and Currency

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 14, 1942

Mr. BROWN (for himself and Mr. WAGNER), under authority of the order of the Senate of September 10, 1942, introduced the following joint resolution; which (the first and second readings having been waived) was referred to the Committee on Banking and Currency

JOINT RESOLUTION

To aid in stabilizing the cost of living.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That in order to aid in the effective prosecution of the war,
4 the President is authorized and directed to stabilize prices,
5 wages, salaries, and other factors affecting the cost of living;
6 and such stabilization shall so far as practicable be on the
7 basis of the levels which existed on August 15, 1942. In
8 exercising the authority conferred by this joint resolution, the
9 President may provide for making adjustments with respect
10 to such prices, wages, salaries, and other factors, to the extent
11 that he finds necessary to correct gross inequities or to aid
12 in the effective prosecution of the war.

1 SEC. 2. The President may, from time to time, promulgate
2 such regulations as may be necessary and proper to carry out
3 any of the provisions of this joint resolution; may exercise
4 any power or authority conferred upon him by this joint
5 resolution through such department, agency, or officer as he
6 shall direct; and may suspend any provisions of law relating
7 to the establishment or maintenance of prices, wages, or
8 salaries which are inconsistent with the purposes of this joint
9 resolution.

10 SEC. 3. No maximum price shall be established or main-
11 tained for any agricultural commodity under authority of this
12 joint resolution or otherwise below a price which will reflect
13 to producers of agricultural commodities the higher of the
14 following prices, as determined and published by the Secre-
15 tary of Agriculture—

16 (1) The parity price for such commodity (adjusted
17 by the Secretary of Agriculture for grade, location, and
18 seasonal differentials) or, in case a comparable price
19 has been determined for such commodity under and in
20 accordance with the provisions of section 3 (b) of the
21 Emergency Price Control Act of 1942, such comparable
22 price (adjusted in the same manner), or

23 (2) The highest market price for such commodity
24 between January 1, 1942, and September 15, 1942;

1 and no maximum price shall be established or maintained
2 under authority of this joint resolution or otherwise for any
3 commodity processed or manufactured in whole or substantial
4 part from any agricultural commodity below a price which
5 will reflect to the producers of such agricultural commodity a
6 price therefor equal to the higher of the prices specified in
7 clauses (1) and (2) of this section: *Provided*, That the
8 President may provide for a lower price than the highest
9 market price for any commodity between January 1, 1942,
10 and September 15, 1942, to the extent that he finds necessary
11 to correct gross inequities.

12 SEC. 4. No action shall be taken under authority of this
13 joint resolution with respect to wages or salaries (1) which
14 is inconsistent with the provisions of the Fair Labor Stand-
15 ards Act of 1938, as amended, (2) which is inconsistent with
16 any recommendation or order of any agency of the Federal
17 Government affecting the wages or salaries of employees whose
18 cases were pending before such agency on September 15,
19 1942, and were undetermined on the date of enactment of
20 this joint resolution, or (3) for the purpose of reducing the
21 wages or salaries for any particular work below the highest
22 wages or salaries paid therefor between January 1, 1942,
23 and September 15, 1942: *Provided*, That the President may
24 adjust wages or salaries below the wages or salaries referred

1 to in clauses (2) and (3) of this section, to the extent that
2 he finds necessary to correct gross inequities.

3 SEC. 5. No employer shall pay, and no employee shall
4 receive, wages or salaries in contravention of the regulations
5 promulgated by the President under this joint resolution.
6 The President shall also prescribe the extent to which any
7 wage or salary payment made in contravention of such regu-
8 lations shall be disregarded by the executive departments and
9 other governmental agencies in determining the costs or ex-
10 penses of any employer for the purposes of any other law
11 or regulation.

12 SEC. 6. The provisions of this joint resolution, and all
13 regulations thereunder, shall terminate on June 30, 1944,
14 or on such earlier date as the Congress by concurrent resolu-
15 tion, or the President, may prescribe.

16 SEC. 7. Section 1 (b) of the Emergency Price Control
17 Act of 1942 is hereby amended by striking out "June 30,
18 1943" and substituting "June 30, 1944".

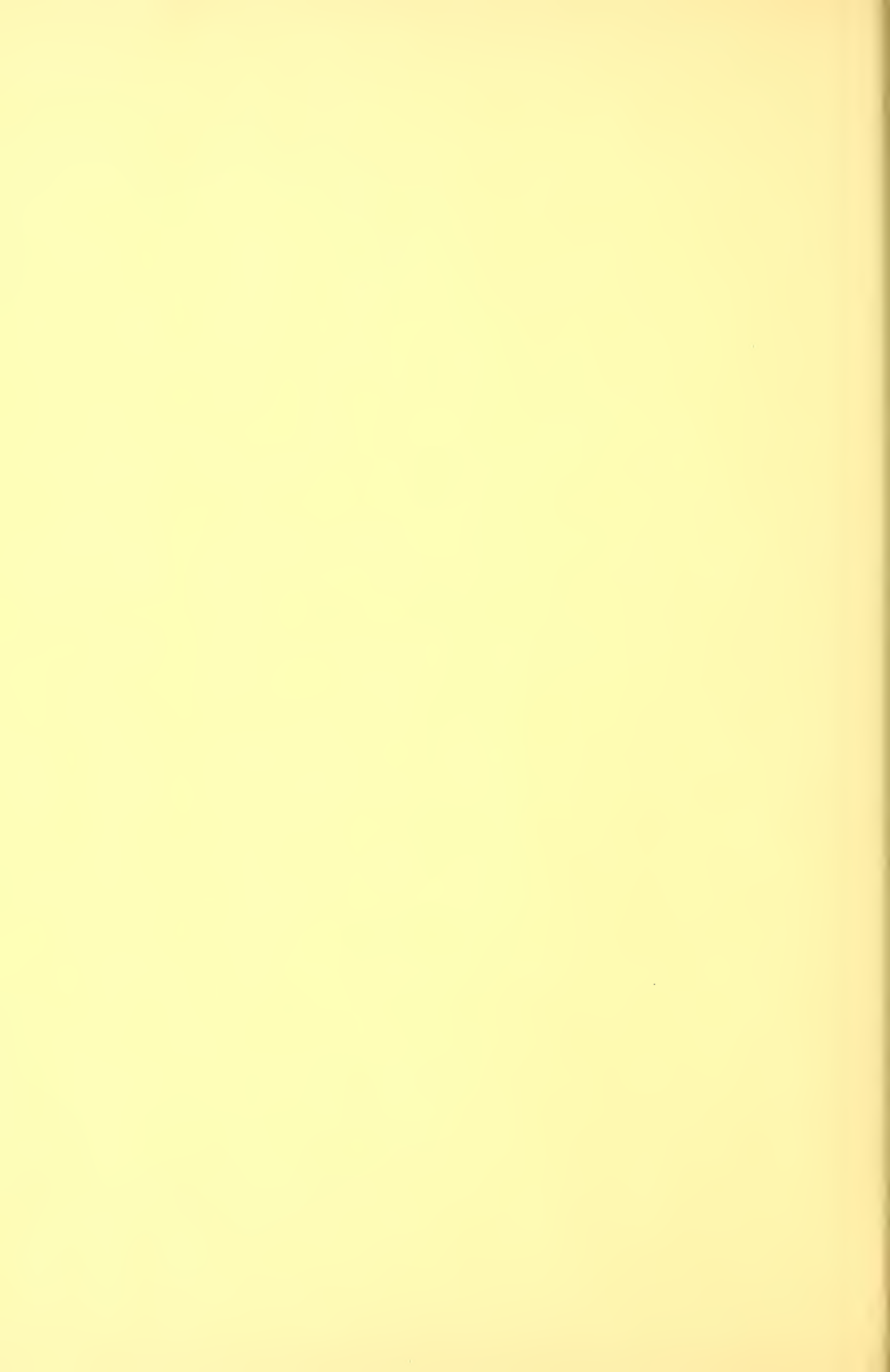
JOINT RESOLUTION

To aid in stabilizing the cost of living.

By Mr. Brown (for himself and Mr. Wagner)

SEPTEMBER 14, 1942

Referred to the Committee on Banking and Currency
(first and second readings waived)



77TH CONGRESS
2D SESSION

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 1942

Referred to the Committee on Banking and Currency and ordered to be printed

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. TAFT to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, viz: Strike out after the resolving clause and insert in lieu thereof the following:

- 1 That no private employer shall pay, and no private
- 2 employee shall receive, any wage or salary for any particular
- 3 work in excess of the wage or salary paid by such employer
- 4 for such work on September 15, 1942, unless such wage or
- 5 salary when increased is less than 50 cents an hour, or
- 6 unless an increase in such wage or salary is approved by
- 7 the National War Labor Board; but the President may by
- 8 regulation exempt from the foregoing limitation any particu-
- 9 lar class of employees, such as household servants, agricul-

1 tural laborers, or others whose wages he finds unimportant
2 in their effect on inflation, or impractical to regulate.

3 SEC. 2. The National War Labor Board is authorized
4 to approve increases in wages or salaries paid by private
5 employers for any particular work to a rate not more than
6 15 per centum in excess of the wages or salaries paid for
7 such work on January 1, 1941.

8 SEC. 3. The President is authorized, by regulation, to
9 provide for increases in wages or salaries in excess of those
10 authorized by section 2, to the extent that he finds necessary
11 to correct gross inequities or to aid in the effective prosecution
12 of the war; and to provide for decreases in wages or salaries
13 below the wages or salaries paid on September 15, 1942,
14 to the extent that he finds it necessary to correct gross
15 inequities.

16 SEC. 4. The President is authorized to issue regulations
17 defining the terms used in this joint resolution, and the man-
18 ner in which application shall be made to the National War
19 Labor Board, and such other regulations as may be necessary
20 to carry out the provisions of this joint resolution.

21 SEC. 5. Any private employer who pays any wage or
22 salary in violation of section 1 of this joint resolution, or if
23 such wage or salary has been modified under other sections
24 hereof, then in violation of such modified wage or salary,

1 shall, upon conviction thereof, be fined not more than \$1,000;
2 and each such payment shall constitute a separate offense.

3 SEC. 5. (a) In the administration of the Emergency
4 Price Control Act of 1942, the Price Administrator is auth-
5 orized and directed, within fifteen days following the date of
6 enactment of this joint resolution, to issue such orders and
7 regulations as may be necessary to provide for establishing
8 for all commodities subject to the provisions of such Act
9 maximum prices equal to the selling prices as determined by
10 the Price Administrator of such commodities on September
11 15, 1942 (or if there was no selling price therefor on such
12 date, or if the selling price on such date was not representa-
13 tive because of abnormal or seasonal market conditions, then
14 the nearest date on which, in the judgment of the Adminis-
15 trator, the selling price was representative) : *Provided*, (1)
16 That if such selling price is less than the maximum price
17 permitted by section 3 (a) or section 3 (c) of the Emer-
18 gency Price Control Act of 1942, as amended in section 6
19 of this joint resolution, then the price established by the
20 Price Administrator shall be the lowest permitted by such
21 sections 3 (a) and 3 (c) as amended; and (2) that if a
22 maximum price is already in effect equal to that prescribed
23 by this Act it shall not be necessary to issue any additional
24 order or regulation reaffirming such maximum price.

1 (b) Any maximum price so established by the Price
2 Administrator may subsequently be increased or decreased
3 in accordance with the provisions of the Emergency Price
4 Control Act of 1942 as herein amended whenever such
5 action would be consistent with the purposes of said Act.

6 SEC. 6. (a) Section 3 (a) of the Emergency Price Con-
7 trol Act of 1942 is amended to read as follows:

8 “SEC. 3. (a) No maximum price shall be established
9 or maintained for any agricultural commodity below a price
10 which will reflect to producers of such commodity the higher
11 of the following prices (as determined and published by the
12 Secretary of Agriculture, and adjusted by such Secretary for
13 grade, location, and seasonal differentials) :

14 “(1) The parity price for such commodity, or, in
15 case a comparable price has been determined for such
16 commodity under subsection (b), such comparable
17 price; or

18 “(2) The highest market price prevailing for such
19 commodity between January 1, 1942, and September
20 15, 1942: *Provided*, That the Administrator may, to
21 the extent that he finds necessary to correct gross in-
22 equities, provide for lower maximum prices than those
23 required by reason of the limitation contained in this
24 clause (2).”

1 (b) Section 3 (c) of such Act is amended to read as
2 follows:

3 “(c) No maximum price shall be established or main-
4 tained for any commodity processed or manufactured in
5 whole or substantial part from any agricultural commodity
6 below a price which will reflect to producers of such agricul-
7 tural commodity the higher of the following prices (as deter-
8 mined and published by the Secretary of Agriculture, and
9 adjusted by such Secretary for grade, location, and seasonal
10 differentials) :

11 “(1) The parity price for such commodity, or, in
12 case a comparable price has been determined for such
13 commodity under subsection (b), such comparable price;
14 or

15 “(2) The highest market price prevailing for such
16 commodity between January 1, 1942, and September
17 15, 1942: *Provided*, That the Administrator may, to
18 the extent that he finds necessary to correct gross in-
19 equities, provide for lower maximum prices than those
20 required by reason of the limitation contained in this
21 clause (2).”

22 SEC. 7. The provisions of this joint resolution, and all
23 regulations thereunder, shall terminate on June 30, 1944, or

1 on such earlier date as the Congress by concurrent resolu-
2 tion, or the President, may prescribe.

3 SEC. 8. Section 1 (b) of the Emergency Price Control
4 Act of 1942 is hereby amended by striking out "June 30,
5 1943" and substituting "June 30, 1944".

77TH CONGRESS
2d Session

S. J. RES. 161

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. Tamm to the
joint resolution (S. J. Res. 161) to aid in
stabilizing the cost of living.

SEPTEMBER 17, 1942

Referred to the Committee on Banking and Currency
and ordered to be printed

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 1942

Referred to the Committee on Banking and Currency and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. OVERTON to the joint resolution
(S. J. Res. 161) to aid in stabilizing the cost of living,
viz: At the proper place insert the following new section:

1 SEC. . (a) Nothing in this joint resolution shall be
2 construed to prevent the reduction by any private employer
3 of the salary of any of his employees which is at the rate
4 of \$5,000 or more per annum.

5 (b) Nothing in this joint resolution shall be construed
6 to authorize the regulation of the compensation of any Gov-
7 ernment employee which is prescribed or fixed by the law
8 of any State or by any Act of Congress.

77TH CONGRESS
2^D SESSION

S. J. RES. 161

AMENDMENT

Intended to be proposed by Mr. OVERTON to
the joint resolution (S. J. Res. 161) to aid
in stabilizing the cost of living.

SEPTEMBER 17, 1942

Referred to the Committee on Banking and Currency
and ordered to be printed

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 1942

Referred to the Committee on Banking and Currency and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. DANAHER to joint resolution
(S. J. Res. 161) to aid in stabilizing the cost of living, viz:

1 Commencing on page 1, strike out all after the resolving
2 clause and insert in lieu thereof the following:

3 Section 2 (f) and section 3 of the Emergency Price
4 Control Act of 1942 are hereby repealed.

5 SEC. 2. Section 1 (b) of the Emergency Price Control
6 Act of 1942 is hereby amended by striking out "June 30,
7 1943" and substituting "June 30, 1944".

77TH CONGRESS
2^D Session

S. J. RES. 161

AMENDMENT

Intended to be proposed by Mr. DANAHY to
the joint resolution (S. J. Res. 161) to aid
in stabilizing the cost of living.

SEPTEMBER 17, 1942

Referred to the Committee on Banking and Currency
and ordered to be printed

STABILIZING THE COST OF LIVING

SEPTEMBER 19, 1942.—Ordered to be printed

Mr. BROWN, from the Committee on Banking and Currency, under authority of the order of the Senate of September 17, 1942, submitted the following

REPORT

[To accompany S. J. Res. 161]

The Committee on Banking and Currency, to whom was referred the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, having considered the same, report favorably thereon with amendments and recommend that the joint resolution as amended do pass.

I

THE PRESIDENT'S MESSAGE

On September 7, 1942, the President transmitted to Congress a message setting forth the urgent necessity for and requesting the immediate enactment by Congress of legislation providing for the further control of prices. That message is as follows:

To the Congress of the United States:

Four months ago, on April 27, 1942, I laid before the Congress a seven-point national economic policy designed to stabilize the domestic economy of the United States for the period of the war. The objective of that program was to prevent any substantial further rise in the cost of living.

It is not necessary for me to enumerate again the disastrous results of a runaway cost of living—disastrous to all of us, farmers, laborers, businessmen—the Nation itself. When the cost of living spirals upward, everybody becomes poorer, because the money he has and the money he earns buys so much less. At the same time the cost of the war, paid ultimately from taxes of the people, is needlessly increased by many billions of dollars. The national debt, at the end of the war, would become unnecessarily greater. Indeed, the prevention of a spiraling domestic economy is a vital part of the winning of the war itself.

I reiterate the seven-point program which I presented April 27, 1942:

1. To keep the cost of living from spiraling upward, we must tax heavily, and in that process keep personal and corporate profits at a reasonable rate, the word "reasonable" being defined at a low level.

2. To keep the cost of living from spiraling upward, we must fix ceilings on the prices which consumers, retailers, wholesalers, and manufacturers pay for the things they buy; and ceilings on rents for dwellings in all areas affected by war industries.

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8 joint resolution, such stabilization shall so far as practicable
9 be on the basis of the levels which existed on ~~August~~ Sep-
10 tember 15, 1942. In exercising the authority conferred by

3. To keep the cost of living from spiraling upward, we must stabilize the remuneration received by individuals for their work.

4. To keep the cost of living from spiraling upward, we must stabilize the prices received by growers for the products of their lands.

5. To keep the cost of living from spiraling upward, we must encourage all citizens to contribute to the cost of winning this war by purchasing War bonds with their earnings instead of using those earnings to buy articles which are not essential.

6. To keep the cost of living from spiraling upward, we must ration all essential commodities of which there is a scarcity, so that they may be distributed fairly among consumers and not merely in accordance with financial ability to pay high prices for them.

7. To keep the cost of living from spiraling upward, we must discourage credit and installment buying, and encourage the paying off of debts, mortgages, and other obligations; for this promotes savings, retards excessive buying, and adds to the amount available to the creditors for the purchase of War bonds.

In my message of 4 months ago, I pointed out that in order to succeed in our objective of stabilization it was necessary to move on all seven fronts at the same time; but that two of them called for legislation by the Congress before action could be taken. It was obvious then, and it is obvious now, that unless those two are realized, the whole objective must fail. These are points numbered one and four: Namely, an adequate tax program, and a law permitting the fixing of price ceilings on farm products at parity prices.

I regret to have to call to your attention the fact that neither of these two essential pieces of legislation has as yet been enacted into law. That delay has now reached the point of danger to our whole economy.

However, we are carrying out, by Executive action, the other parts of the seven-point program which did not require congressional action.

Price ceilings have been fixed on practically all commodities (other than certain exempted agricultural products), and on rents in war-production areas of the United States.

This process of keeping prices and rents at reasonable levels constitutes one of the most far-reaching economic steps that this Nation has ever taken—in time of peace or war.

Our experience during the last 4 months has proved that general control of prices is possible—but only if that control is all-inclusive. If, however, the costs of production, including labor, are left free to rise indiscriminately, or if other major elements in the costs of living are left unregulated, price control becomes impossible. If markets are flooded with purchasing power in excess of available goods, without taking adequate measures to siphon off the excess purchasing power, price control becomes likewise impossible.

Our entire effort to hold the cost of living at its present level is now being sapped and undermined by further increases in farm prices and in wages, and by an ever-continuing pressure on prices resulting from the rising purchasing power of our people.

Annual wage and salary disbursements have increased from 43.7 billion dollars in 1939 to an estimated 75 billion dollars in 1942. This represents an increase of 71 percent. To obtain a full appreciation of what that increase means, we should remember that 75 billion dollars is more than our total national income was during any single year in the 1930's. Due to constantly increasing employment, overtime, and wage-rate increases, the annual wage and salary bill for the entire country has been rising by more than a billion dollars a month.

It is impossible for the cost of living to be stabilized while farm prices continue to rise. You cannot expect the laborer to maintain a fixed wage level if everything he wears and eats begins to go up drastically in price. On the other hand, it is impossible to keep any prices stable—farm prices or other prices—if wage rates, one of the most important elements in the cost of production, continue to increase.

But even if the process of stabilization of all prices and wages at present levels were to be brought about, there would still remain the great upward pressure on the cost of living created by the vast amount of purchasing power which has been earned in all sections of the country. The national income has been increasing since January 1, 1941, at the average rate of 2 percent each month. This purchasing power now exceeds by an estimated 20 billions the amount of goods which will be available for purchase by civilians this year. The result obviously is that people compete more and more for the available supply of goods; and the pressure of this great demand compared with the small supply—which will become smaller and smaller—continually threatens to disrupt our whole price structure.

A recent study by the Bureau of Labor Statistics has shown very strikingly how much the incomes of the average of families have gone up during the first quarter of 1942. If we assume that the income for the first quarter of 1942 is a fair basis for estimating what the family income will be for the entire year, the results of the study show that whereas less than one-fourth of all families in the United States received as much as \$2,500 in 1941, more than one-third will have \$2,500 or more in 1942. This shows how much the purchasing power of the average American family has gone up as a result of war production and how essential it is to control that purchasing power by taxation and by investment in war bonds.

We also know that as the war goes on there will not be an adequate supply of all civilian goods; that only through strict rationing, wherever necessary, will these goods be equitably distributed. We are determined that no group shall suffer a shrinkage of its normal quota of basic necessities because some richer group can buy all the available supply at high prices.

In normal peacetimes the ordinary processes of collective bargaining are sufficient in themselves. But in wartimes and particularly in times of greatly increasing prices, the Government itself has a very vital interest in seeing to it that wages are kept in balance with the rest of the economy. It is still the policy of the Federal Government to encourage free collective bargaining between employers and workers; and that policy will continue. Owing to the fact that costs of production are now, in so many cases, being passed on to the Government, and that so large a percentage of profits would be taken away by taxation, collective bargaining between employers and employees has changed a great deal from what it was in peacetimes. In times of danger to our economy the Government itself must step into the situation to see to it that the processes of collective bargaining and arbitration and conciliation are not permitted to break up the balances between the different economic factors in our system.

War calls for sacrifice. War makes sacrifice a privilege. That sacrifice will have to be expressed in terms of a lack of many of the things to which we all have become accustomed. Workers, farmers, white collar people and businessmen must expect that. No one can expect that, during the war, he will always be able to buy what he can buy today.

If we are to keep wages effectually stabilized, it becomes imperative, in fairness to the worker, to keep equally stable the cost of food and clothing and shelter and other articles used by workers.

Prices and rents should not be allowed to advance so drastically ahead of wage rates that the real wages of workers as of today—their ability to buy food and clothing and medical care—will be cut down. For if the cost of living goes up as fast as it is threatening to do in the immediate future, it will be unjust, in fact impossible, to raise workers' rises in wages which would meet at least a part of that increase.

The cost of all food used by wage earners—controlled and uncontrolled—has been going up at the rate of $1\frac{1}{4}$ percent per month since the price ceilings were set in May 1942. If this rise should be permitted to continue, the increased cost of food to wage earners next May would be more than 15 percent over the level which existed when the ceilings were set.

This would be equal to imposing a 15 percent sales tax on all food purchased by wage earners. Obviously no one would consider imposing such a tax.

This drastic increase has been caused, and will be caused, chiefly by the fact that a number of food commodities are exempt under existing law.

In the case of these exempt commodities the increases are even more startling. The cost of such food used by wage earners has been rising at an average of $3\frac{1}{4}$ percent per month since May 1, 1942.

Prices received by farmers have risen 85 percent since the outbreak of the war in September 1939, and these prices are continuing to rise. Cash farm income, including Government payments, has increased from \$8,700,000,000 in 1939 to substantially more than \$15,000,000,000 in 1942. This is an increase of about 75 percent.

The movement of uncontrolled food prices since May 18, 1942, the date when price regulation became effective, has been so drastic as to constitute an immediate threat to the whole price structure, to the entire cost of living, and to any attempt to stabilize wages.

Within 2 months after the date that price regulation became effective, the prices of controlled foods actually fell seven-tenths of 1 percent. But uncontrolled foods advanced 7.3 percent during the same period, and are still going up.

To give some specific examples: From May to August of this year round steak and pork chops, which are controlled, showed a slight decline; but during the same

period lamb, which was uncontrolled up to July, advanced more than 10 percent and chickens have advanced more than 16 percent.

To take another example: Lard, which is a controlled product, dropped nearly 5 percent; whereas butter, which is uncontrolled, went up more than 6 percent or twice the normal seasonal rate. Oranges have gone up more than 25 percent although the normal seasonal increase is only about 6 or 7 percent.

Uncontrolled agricultural commodities include some of the most important of the foods and include the grain foods necessary for livestock. When you consider that in this category are wheat, corn, oats, barley, rye, dry beans, cotton, sweet-potatoes, apples, sheep, butterfat, wholesale milk, chickens, eggs, and oranges you can realize how important these products are to the pocketbook of the housewife.

The greatest danger is in dairy products, which are, as you know, most important items in the American diet. Butter, cheese, or evaporated milk are exempt under the Price Control Act. The prices for these have been going up so fast that they constitute a serious threat to an adequate supply of fluid milk. Unless we are able to get control of butter, cheese, and other dairy products in the very near future, the price of milk in large cities is certain to go up.

If wages should be stabilized and farm prices be permitted to rise at any rate like the present rate, workers will have to bear the major part of the increase. This we cannot ask. The Congress must realize that unless the existing control over farm prices is strengthened, we must abandon our efforts to stabilize wages and salaries and the cost of living. If that occurs, workers and farmers alike will not only suffer a reduction in real income, but will bring upon themselves and the Nation the unparalleled disaster of unchecked inflation.

The reason why price ceilings have not already been imposed on all food products is, as you know, that paragraph 3 of the Emergency Price Control Act prohibits such ceilings until farm prices as a whole have gone up beyond parity prices—far beyond—as high as an average of 16 percent beyond.

Although that restriction upon establishing ceilings for farm products usually is referred to as the 110-percent-of-parity limitation, it is much worse than that. The statute provides other limitations which are more drastic. Ceilings cannot be imposed, under the statute, on any product at a level below the market price on October 1, 1941, or December 15, 1941, or the average price for the period July 1, 1919, to June 30, 1929, or below 110 percent of current parity, whichever of those four levels is highest. As a result, the lowest average level for all farm commodities at which ceilings may be imposed is not 110 percent, but 116 percent of parity—some of the commodities going almost as high as 150 percent of parity.

Even more important is the psychological effect of such unfair privilege. It provides fuel for fires of resentment against farmers as a favored class. After all, parity is, by its very definition, a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production including the cost of labor. As a result parity prices may shift every time wage rates shift. Insisting that the ceilings on no farm commodity shall ever be lower than 110 percent of parity is asking for more than a fair price relationship with other prices.

In fact, the limitations on agricultural ceilings are now being cited by other groups as a reason for resisting economic controls that are needed in their own fields. The limitations will be a rallying point for such opposition as long as they are in effect.

As I urged in my message of April 27, 1942, "the original and excellent objective of obtaining parity for the farmers of the United States should be restored."

Our policy with respect to farm products should be guided by three principles: First, to hold the line against inflationary price increases. Second, to get the required production of necessary farm products. Third, to maintain the principle of parity for agriculture.

Agricultural ceilings should be permitted at either parity or at the price levels which prevailed at some recent date, whichever is higher. In most cases the formula would preserve the general structure of wholesale and retail price controls, and would also call out the volume of production needed. Also, it would preserve the parity principle.

In regard to increasing the total of our food production, one of the worries that a farmer has today is the shortage of labor for cultivating and harvesting crops. The time is soon coming when in many parts of the country we shall have to use seasonally the help of women and grown young people. I feel certain the Nation will cooperate wholeheartedly.

It not only would be unfair to labor to stabilize wages and do nothing about the cost of food; it would be equally unfair to the farmer. For we must all remember

that the farmer's wife buys many articles of food at the store for the use of her own family, and high prices hurt her pocketbook as much as that of the city housewife.

What is needed, therefore, is an over-all stabilization of prices, salaries, wages, and profits. That is necessary to the continued production of planes and tanks and ships and guns at the present constantly increasing rate.

We cannot hold the actual cost of food and clothing down to approximately the present level beyond October 1. But no one can give any assurances that the cost of living can be held down after that date.

Therefore, I ask the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities. The purpose should be to hold farm prices at parity, or at levels of a recent date, whichever is higher.

I ask the Congress to take this action by the 1st of October. Inaction on your part by that date will leave me with an inescapable responsibility to the people of this country to see to it that the war effort is no longer imperiled by threat of economic chaos.

In the event that the Congress should fail to act, and act adequately, I shall accept the responsibility, and I will act.

At the same time that farm prices are stabilized, wages can and will be stabilized also. This I will do.

The President has the powers, under the Constitution and under congressional acts, to take measures necessary to avert a disaster which would interfere with the winning of the war.

I have given the most thoughtful consideration to meeting this issue without further reference to the Congress. I have determined, however, on this vital matter to consult with the Congress.

There may be those who will say that, if the situation is as grave as I have stated it to be, I should use my powers and act now. I can only say that I have approached this problem from every angle, and that I have decided that the course of conduct which I am following in this case is consistent with my sense of responsibility as President in time of war, and with my deep and unalterable devotion to the processes of democracy.

The responsibilities of the President in wartime to protect the Nation are very grave. This total war, with our fighting fronts all over the world, makes the use of executive power far more essential than in any previous war.

If we were invaded, the people of this country would expect the President to use any and all means to repel the invader.

The Revolution and the War between the States were fought on our own soil, but today this war will be won or lost on other continents and remote seas.

I cannot tell what powers may have to be exercised in order to win this war.

The American people can be sure that I will use my powers with a full sense of my responsibility to the Constitution and to my country. The American people can also be sure that I shall not hesitate to use every power vested in me to accomplish the defeat of our enemies in any part of the world where our own safety demands such defeat.

When the war is won, the powers under which I act automatically revert to the people—to whom they belong.

In March and April 1933 this Nation faced a threatening domestic situation calling for the most drastic measures. The Congress, alive to the needs of that day, formulated and enacted whatever was required to do the job before it—without long debate, without party politics, and without heed to the pressures of any special group looking for advantages for itself.

I need not argue the point that the situation facing the Nation today is infinitely more critical than it was 10 years ago. We are fighting a war of survival. Nothing can yield to the over-all necessity of winning this war, and the winning of the war will be imperiled by a run-away domestic economy.

As a part of our general program on farm prices, I recommend that Congress in due time give consideration to the advisability of legislation which would place a floor under prices of farm products, in order to maintain stability in the farm market for a reasonable future time. In other words, we should find a practicable method which will not only enable us to place a reasonable ceiling or maximum price upon farm products but which will enable us also to guarantee to the farmer that he would receive a fair minimum price for his product for 1 year, or even 2 years—or whatever period is necessary after the end of the war. Every farmer remembers what happened to his prices after the last war. We can, I am sure, if we act promptly and wisely, stabilize, the farmers' economy so that the post-war disaster of 1920 will not overtake him again.

The farmer, instead of looking forward to a new collapse in farm prices at the end of the war, should be able to look forward with assurance to receiving a fair minimum price for 1 or 2 years after the war. Such a national policy could be established by legislation.

In computing parity, we should continue to use the computations of the Bureau of Agricultural Economics made under the law as it stands today. And in determining whether a commodity has reached parity, we should include all the benefits received by the farmer from his Government under the Agricultural Adjustment Administration program, allocable to the particular commodity. For it is unfair to give a farmer a parity price, and, in addition, to pay him benefits which will give him far more than parity.

I have confidence that the American farmer who has been doing so much in the battle of production of food will do as much in this struggle against economic forces which make for the disaster of inflation; for nobody knows better than the farmer what happens when inflationary, wartime booms are permitted to become post-war panics.

With respect to point seven of the program of April 27, 1942, we have made certain credit rulings designed to curtail unnecessary buying; and whatever else has to be done along these lines will be done.

With respect to point 6, rationing is now in effect on some commodities, and when necessary, will be extended to others.

But with respect to point 1—a fair tax program—that still waits upon the Congress to act.

One of the most powerful weapons in our fight to stabilize living costs is taxation. It is a powerful weapon because it reduces the competition for consumers' goods—especially scarce foods.

The cooperation and self-restraint of the whole Nation will be required to stabilize the cost of living. The stabilization of the cost of living cannot be maintained without heavy taxes on everyone except persons with very low incomes. With such increases in the tax load, unfair tax distribution becomes less and less tolerable. We can rightfully expect the fullest cooperation and self-restraint only if the tax burden is being fairly levied in accordance with ability to pay.

This means that we must eliminate the tax exemption of interest on State and local securities, and other special privileges or loopholes in our tax law.

It means that in the higher income brackets, the tax rate should be such as to give the practical equivalent of a top limit on an individual's net income after taxes, approximating \$25,000. It means that we must recapture through taxation all wartime profits that are not necessary to maintain efficient all-out war production. Such provisions will give assurance that the sacrifices required by war are being equitably shared.

Next to military and naval victory, a victory along this economic front is of paramount importance. Without it our war production program will be hindered. Without it we would be allowing our young men, now risking their lives in the air, on land, and on the sea, to return to an economic mess of our own making.

The least that we at home can do for them is to see that our production increases every day so as to give them the weapons of war with which to fight, and to make sure that our economy at home continues to be one to which they can return with confidence and security.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, September 7, 1942.

II

THE NEED FOR LEGISLATION

The facts presented in the President's message and in testimony before your committee disclose clearly that certain basic factors affecting the cost of living are inadequately controlled in large part because of existing limitations upon administrative powers. In recent months, the economic situation has passed from the critical to the dangerous. There are impending immediately over the horizon such extreme inflationary increases in the cost of living as may jeopardize our entire war program and our economic stability.

The country's basic standards of living are being increasingly threatened by the upward pressure of uncontrolled items. For example, from the middle of May to the middle of August, the price of uncontrolled food items advanced 9.8 percent as contrasted with the price of controlled foods which dropped 0.3 percent. This increase in the prices of uncontrolled foods, which occurred at a rate of 40 percent a year, was responsible for substantially all of the increase in the cost of living during that period. These uncontrolled items represent 40 percent of all the food purchased by an average American family. Existing limitations of section 3 (a) and section 3 (c) of the Emergency Price Control Act of 1942 make it impossible adequately to deal with this situation.

This resolution authorizes the President to suspend section 3 (a) and 3 (c) of the Emergency Price Control Act of 1942. Prices received by farmers have risen 85 percent from August 1939 to August 1942. Prices paid by farmers have risen only 22 percent in the same period. As a result, the index of all farm prices has gone up from 70 percent of parity to 107 percent of parity. These gains are protected by the joint resolution. No maximum price may be established or maintained for any agricultural commodity or for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below the price which will reflect to the producers of agricultural commodities either a parity price for that commodity or the highest price received by the producers between January 1 and September 15, 1942, adjusted for grade, location, and seasonal differentials.

Thus the joint resolution insures that the farmers will receive parity income, while at the same time insuring that the prices for agricultural commodities will not rise to such a further point as to threaten our entire national economy.

The situation with respect to wages and salaries is equally serious. Since 1939, hourly wage rates in all manufacturing industries have advanced about 30 percent and the aggregate of wages and salaries paid out has advanced 71 percent. From January 1, 1941, to May 1942, unit labor costs increased at the average rate of 1.1 percent per month. Unit labor costs will unquestionably increase still further, even apart from increases in wage rates, as a consequence of the loss of skilled workers, introduction of less skilled labor and inevitable transportation and other delays.

At present, salaries are wholly uncontrolled, and wage decisions of the War Labor Board are limited, under existing authority, to disputes brought before it by the parties. But full control of wages and salaries must proceed simultaneously with control of food cost. Wages and salaries cannot be wholly stabilized if the costs of the food that the employee buys continues to rise.

Higher wages and higher farm incomes give impetus to the rising inflationary tides in still another way, by expanding consumer purchasing power at a time when the volume of consumer goods, services, and other needs are rapidly diminishing.

Drastic action is imperative if we are not to have disastrous inflation. That action cannot wait until tomorrow, next week or next month. By then it will be too late. It must be taken now. To insure that there will be no delay the joint resolution requires the President on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries affecting the cost of living.

III

ANALYSIS BY SECTIONS

Section 1 of the joint resolution, as reported, authorizes and directs the President, in order to aid in the effective prosecution of the war, to issue a general order on or before November 1, 1942, stabilizing prices, wages, and salaries, affecting the cost of living, and provides that such stabilization so far as practicable shall be on the basis of the levels which existed on September 15, 1942, except as otherwise provided in the joint resolution. The President may thereafter provide for making adjustments with respect to prices, wages, and salaries to the extent that he finds necessary to correct gross inequities, and in case such adjustments are by way of increases he may also act to the extent that he finds necessary to aid in the effective prosecution of the war. Existing controls with respect to rents are not affected.

Section 2 of the joint resolution as reported authorizes the President to promulgate such regulations as may be necessary and proper to carry out its provisions, and to exercise any power or authority conferred upon him by the resolution through such department, agency, or officer as he shall direct. Provision is also made for the suspension by the President of sections 3 (a) and 3 (e) of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of the resolution, and it is also provided that he may not under the authority of the resolution suspend any other law or part thereof.

Section 3 of the joint resolution as reported provides a new price limitation for the establishment or maintenance of maximum prices for any agricultural commodity or for any commodity processed or manufactured in whole or substantial part from any agricultural commodity. This new basis would not permit action to be taken under the joint resolution or otherwise with respect to the establishment or maintenance of such maximum prices if such prices will not reflect to producers of agricultural commodities either (1) the parity or comparable price for the commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or (2) the highest price received by such producers for the commodity between January 1 and September 15, 1942 (similarly adjusted), whichever is higher. The President may, however, without regard to the limitation contained in (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities. This is not true, however, with respect to the limitation contained in clause (1). It is further provided that modifications shall be made, under regulations to be prescribed by the President, in such maximum prices if it appears that such modifications are necessary to increase production of the commodity for war purposes, or if it is satisfactorily shown that by reason of increased labor or other costs to the producer of the agricultural commodity the maximum prices so established will result in gross inequities.

Section 4 of the joint resolution as reported imposes limitations upon any action taken under the authority of the resolution with respect to wages or salaries. No action is to be taken which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act. Also, no action is

to be taken under the resolution for the purpose of reducing wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1 and September 15, 1942, except that the President may adjust such wages or salaries to the extent that he finds necessary to correct gross inequities.

Section 5 of the joint resolution as reported prohibits employers from paying, and employees from receiving, wages or salaries in contravention of regulations promulgated by the President. A penalty of not more than \$1,000 is provided for willful violations of such regulations. The President may also provide the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by governmental agencies in determining the costs or expenses of employers.

Section 6 of the joint resolution as reported provides for terminating the resolution and all regulations thereunder on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe. An exception is made in the case of sections 8 and 9 relating to loans upon agricultural commodities by the Commodity Credit Corporation, since such sections are applicable to crops of the commodities for any calendar year which begins during the continuance of the present war.

Section 7 (a) of the joint resolution as reported extends the life of the Emergency Price Control Act of 1942 from June 30, 1943, to June 30, 1944.

Section 7 (b) provides for making applicable to regulations or orders issued by the Price Administrator in exercising any functions delegated to him under the resolution, all provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such act. This makes clear that all provisions of the Emergency Price Control Act, including administrative, procedural, and punitive sections, are applicable to regulations issued pursuant to any authority conferred under this joint resolution, as well as to regulations issued or to be issued by the Administrator under the Price Control Act.

Section 7 (c) provides that nothing in the resolution shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except sections 3 (a) and 3 (c) of such act) or to invalidate any regulation, price schedule, or order issued or effective under such act. This section is intended to make it clear that any regulation heretofore or hereafter issued and valid under the Emergency Price Control Act is not in any way impaired.

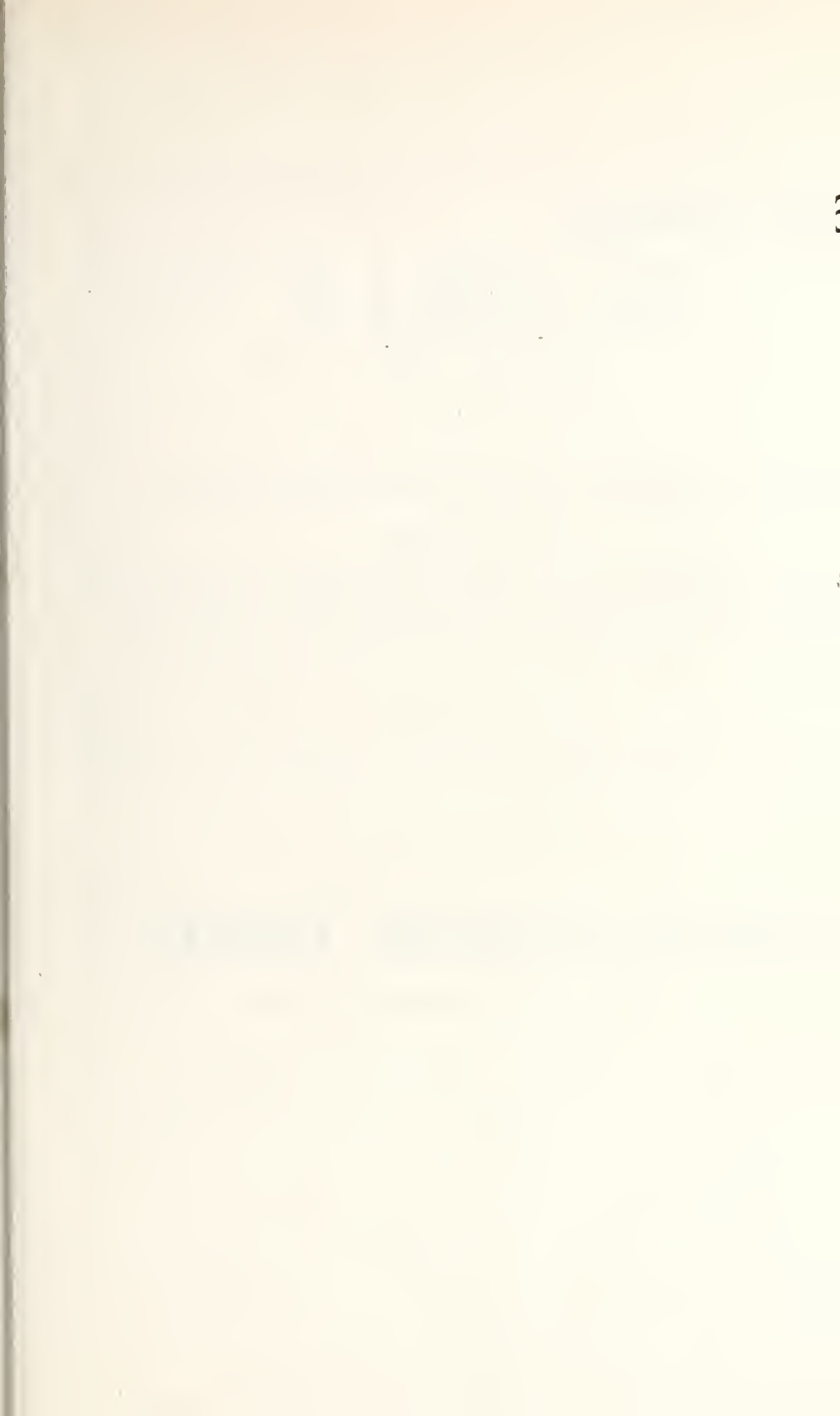
Section 8 of the joint resolution as reported provides that, for crops for the year 1942 and subsequent years which begin during the continuance of the present war, the basic loan rate for the mandatory loans made by the Commodity Credit Corporation on the six basic agricultural commodities (wheat, corn, cotton, rice, tobacco, and peanuts) shall be 90 percent of parity instead of 85 percent of parity as provided by present law. In other respects these loans will be made subject to the provisions of present law. Loans will not be made on crops for which producers have disapproved marketing quotas.

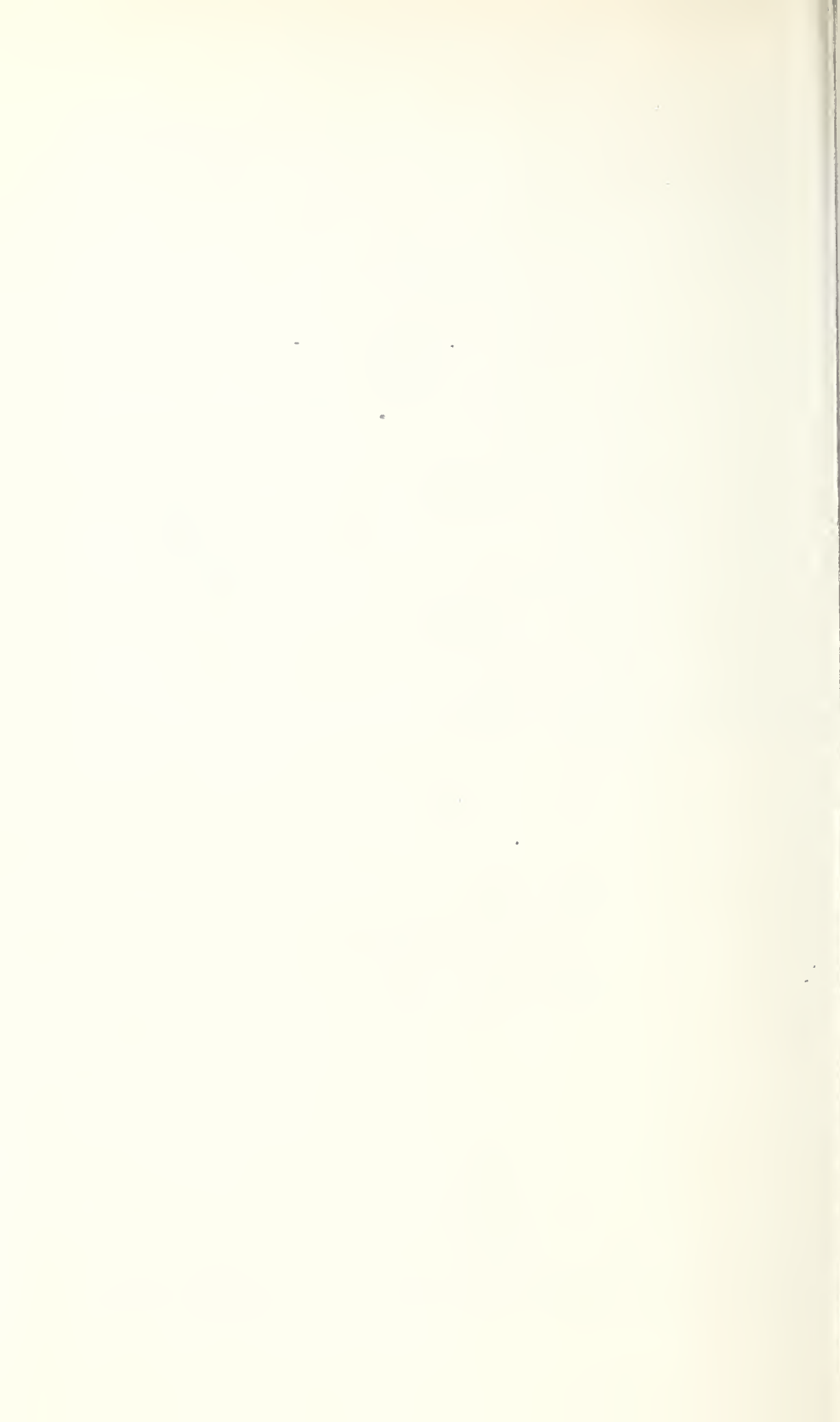
Section 9 of the joint resolution as reported amends section 4 of the act of July 1, 1941 (the Steagall amendment), which now provides that whenever the Secretary of Agriculture finds it necessary to encourage the expansion of production of any nonbasic agricultural

commodity, he shall use the funds available to him so as to support (through commodity loans, purchases, or other operations) a price for such commodity of not less than 85 percent of the parity or comparable price. The amendments made by this joint resolution provide (1) that when the Secretary has undertaken to support the price of an agricultural commodity under this section, such support shall be continued until the end of the present war, (2) that the price shall be supported at not less than 90 percent of the parity or comparable price (in lieu of the present 85 percent), and (3) that for the purposes of the section peanuts shall be regarded as a basic commodity.

Section 10 of the resolution as reported defines the terms "wages" and "salaries" to include additional compensation on an annual or other basis paid by employers to their employees for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for any period prior to September 16, 1942, such additional compensation is to be taken into account only where it has been customarily paid. This means that additional compensation of employees in the form of bonuses, insurance or pension benefits, or other forms will be subject to stabilization and regulation under the joint resolution. In cases where employers have customarily paid such compensation in the past, they could, subject to the power to make adjustments to correct gross inequities, continue to make such payments. In cases where such compensation has not been customarily paid in the past, its payment in the future would be regarded as a wage or salary increase for the purposes of this joint resolution. However, an exception is made with respect to insurance and pension benefits, in a reasonable amount to be determined by the President, so that employers may in the future provide such benefits for their employees even though they have not provided such benefits in the past.







Calendar No. 1661

77TH CONGRESS
2D SESSION

S. J. RES. 161

[Report No. 1609]

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 14, 1942

Mr. BROWN (for himself and Mr. WAGNER), under authority of the order of the Senate of September 10, 1942, introduced the following joint resolution; which (the first and second readings having been waived) was referred to the Committee on Banking and Currency

SEPTEMBER 19, 1942

Reported by Mr. BROWN, under authority of the order of the Senate of September 17, 1942, with amendments

[Omit the part struck through and insert the part printed in italics]

JOINT RESOLUTION

To aid in stabilizing the cost of living.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That in order to aid in the effective prosecution of the war,
4 the President is authorized and directed ~~to stabilize~~, *on or*
5 *before November 1, 1942, to issue a general order stabilizing*
6 *prices, wages, salaries, and other factors and salaries, affecting*
7 *the cost of living; and, except as otherwise provided in this*
8 *joint resolution, such stabilization shall so far as practicable*
9 *be on the basis of the levels which existed on August Sep-*
10 *tember 15, 1942. In exercising the authority conferred by*

1 this joint resolution, the President ~~may~~ *The President may*
 2 *thereafter* provide for making adjustments with respect to
 3 prices, wages, ~~salaries, and other factors~~ *and salaries*, to the
 4 extent that he finds necessary to correct gross inequities ~~or~~,
 5 *and, in the case of increases, to the extent that he finds neces-*
 6 *sary* to aid in the effective prosecution of the war.

7 SEC. 2. The President may, from time to time, promul-
 8 gate such regulations as may be necessary and proper to carry
 9 out any of the provisions of this joint resolution; *and may*
 10 exercise any power or authority conferred upon him by this
 11 joint resolution through such department, agency, or officer
 12 as he shall direct; ~~and may suspend any provisions of law~~
 13 ~~relating to the establishment or maintenance of prices, wages,~~
 14 ~~or salaries which are inconsistent with the purposes of this~~
 15 ~~joint resolution.~~ *The President may suspend the provisions*
 16 *of sections 3 (a) and 3 (c) of the Emergency Price Control*
 17 *Act of 1942 to the extent that such sections are inconsistent*
 18 *with the provisions of this joint resolution, but he may not*
 19 *under the authority of this joint resolution suspend any other*
 20 *law or part thereof.*

21 SEC. 3. No maximum price shall be established or main-
 22 tained for any agricultural commodity under authority of this
 23 joint resolution or otherwise below a price which will reflect
 24 to producers of agricultural commodities the higher of the

1 following prices, as determined and published by the Secre-
2 tary of Agriculture—

3 (1) The parity price for such commodity (adjusted
4 by the Secretary of Agriculture for grade, location, and
5 seasonal differentials) or, in case a comparable price
6 has been determined for such commodity under and in
7 accordance with the provisions of section 3 (b) of the
8 Emergency Price Control Act of 1942, such comparable
9 price (adjusted in the same manner), or

10 (2) The highest ~~market~~ price *received by such*
11 *producers* for such commodity between January 1, 1942,
12 and September 15, 1942 (*adjusted by the Secretary of*
13 *Agriculture for grade, location, and seasonal differ-*
14 *entials*);

15 and no maximum price shall be established or maintained
16 under authority of this joint resolution or otherwise for any
17 commodity processed or manufactured in whole or substantial
18 part from any agricultural commodity below a price which
19 will reflect to the producers of such agricultural commodity a
20 price therefor equal to the higher of the prices specified in
21 clauses (1) and (2) of this section: *Provided*, That the
22 President may ~~provide for a lower price than the highest~~
23 ~~market price for any commodity between January 1, 1942,~~
24 ~~and September 15, 1942, without regard to the limitation con-~~

1 tained in clause (2), adjust any such maximum price to the
 2 extent that he finds necessary to correct gross inequities: *Pro-*
 3 *vided further, That modifications shall be made in maximum*
 4 *prices established for any agricultural commodity and for*
 5 *commodities processed or manufactured in whole or substan-*
 6 *tial part from any agricultural commodity, under regulations*
 7 *to be prescribed by the President, in any case in which it*
 8 *appears that such modification is necessary to increase the*
 9 *production of such commodity for war purposes, or in which*
 10 *it is satisfactorily shown that by reason of increased labor or*
 11 *other costs to the producers of such agricultural commodity,*
 12 *the maximum prices so established will result in gross*
 13 *inequities.*

14 SEC. 4. No action shall be taken under authority of
 15 this joint resolution with respect to wages or salaries (1)
 16 which is inconsistent with the provisions of the Fair Labor
 17 Standards Act of 1938, as amended, ~~(2)~~ which is inconsis-
 18 ent with any recommendation or order of any agency of the
 19 Federal Government affecting the wages or salaries of em-
 20 ployees whose cases were pending before such agency on
 21 September 15, 1942, and were undetermined on the date
 22 of enactment of this joint resolution, or ~~(3)~~ or the National
 23 Labor Relations Act, or (2) for the purpose of reducing
 24 the wages or salaries for any particular work below the
 25 highest wages or salaries paid therefor between January 1,

1 1942, and September 15, 1942: *Provided*, That the Presi-
2 dent may, *without regard to the limitation contained in*
3 *clause (2)*, adjust wages or salaries ~~below the wages or~~
4 ~~salaries referred to in clauses (2) and (3) of this section,~~
5 to the extent that he finds necessary to correct gross
6 inequities.

7 SEC. 5. (a) No employer shall pay, and no employee
8 shall receive, wages or salaries in contravention of the regula-
9 tions promulgated by the President under this joint resolution.
10 The President shall also prescribe the extent to which any
11 wage or salary payment made in contravention of such regu-
12 lations shall be disregarded by the executive departments and
13 other governmental agencies in determining the costs or
14 expenses of any employer for the purposes of any other law
15 or regulation.

16 (b) *Any person who wilfully violates any regulation*
17 *promulgated by the President under this joint resolution*
18 *relating to wages or salaries, shall, upon conviction thereof, be*
19 *fined not more than \$1,000.*

20 SEC. 6. The provisions of this joint resolution (*except*
21 *sections 8 and 9*), and all regulations thereunder, shall termi-
22 nate on June 30, 1944, or on such earlier date as the Con-
23 gress by concurrent resolution, or the President *by proclama-*
24 *tion*, may prescribe.

1 SEC. 7. (a) Section 1 (b) of the Emergency Price Con-
2 trol Act of 1942 is hereby amended by striking out "June 30,
3 1943" and substituting "June 30, 1944".

4 (b) *All provisions (including prohibitions and penal-*
5 *ties) of the Emergency Price Control Act of 1942 which are*
6 *applicable with respect to orders or regulations under such*
7 *Act shall, insofar as they are not inconsistent with the pro-*
8 *visions of this joint resolution, be applicable in the same*
9 *manner and for the same purposes with respect to regulations*
10 *or orders issued by the Price Administrator in the exercise*
11 *of any functions which may be delegated to him under au-*
12 *thority of this joint resolution.*

13 (c) *Nothing in this joint resolution shall be construed*
14 *to invalidate any provision of the Emergency Price Control*
15 *Act of 1942 (except to the extent that this joint resolution is*
16 *inconsistent with sections 3 (a) and 3 (c) of such Act), or*
17 *to invalidate any regulation, price schedule, or order issued*
18 *or effective under such Act.*

19 SEC. 8. (a) *The Commodity Credit Corporation is*
20 *authorized and directed to make available upon any crop of*
21 *the commodities cotton, corn, wheat, rice, tobacco, and peanuts*
22 *for the year 1942 or any subsequent calendar year which be-*
23 *gins during the continuance of the present war, if producers*
24 *have not disapproved marketing quotas for such commodity*

1 for the marketing year beginning in the calendar year in
2 which such crop is harvested, loans as follows:

3 (1) To cooperators (except cooperators outside the
4 commercial corn-producing area, in the case of corn)
5 at the rate of 90 per centum of the parity price for the
6 commodity as of the beginning of the marketing year;

7 (2) To cooperators outside the commercial corn-pro-
8 ducing area, in the case of corn, at the rate of 75 per
9 centum of the rate specified in (1) above;

10 (3) To noncooperators (except noncooperators out-
11 side the commercial corn-producing area, in the case of
12 corn) at the rate of 60 per centum of the rate specified in
13 (1) above and only on so much of the commodity as
14 would be subject to penalty if marketed.

15 (b) All provisions of law applicable with respect to
16 loans under the Agricultural Adjustment Act of 1938, as
17 amended, shall, insofar as they are not inconsistent with the
18 provisions of this section, be applicable with respect to loans
19 made under this section.

20 SEC. 9. (a) Section 4 (a) of the Act entitled "An Act
21 to extend the life and increase the credit resources of the
22 Commodity Credit Corporation, and for other purposes",
23 approved July 1, 1941 (U. S. C., 1940 edition, Supp. I,
24 title 15, sec. 713a-8), is amended—

1 (1) By inserting after the words "so as to support" a
2 comma and the following: "during the continuance of the
3 present war,".

4 (2) By striking out "85 per centum" and inserting in
5 lieu thereof "90 per centum".

6 (3) By inserting after the word "tobacco" a comma
7 and the word "peanuts".

8 (b) The amendments made by this section shall, irre-
9 spective of whether or not there is any further public an-
10 nouncement under such section 4 (a), be applicable with
11 respect to any commodity with respect to which a public
12 announcement has heretofore been made under such section
13 4 (a). \

14 SEC. 10. When used in this joint resolution, the terms
15 "wages" and "salaries" shall include additional compensation,
16 on an annual or other basis, paid to employees by their em-
17 ployers for personal services (excluding insurance and pension
18 benefits in a reasonable amount to be determined by the Presi-
19 dent); but for the purpose of determining wages or salaries
20 for any period prior to September 16, 1942, such additional
21 compensation shall be taken into account only in cases where
22 it has been customarily paid by employers to their employees.

Calendar No. 1661

77TH CONGRESS
2^D SESSION

S. J. RES. 161

[Report No. 1609]

JOINT RESOLUTION

To aid in stabilizing the cost of living.

By Mr. BROWN and Mr. WAGNER

SEPTEMBER 14, 1942

Referred to the Committee on Banking and Currency

SEPTEMBER 19, 1942

Reported with amendments

House Calendar No. 328

77TH CONGRESS
2^D SESSION

H. RES. 540

[Report No. 2474]

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 21, 1942

Mr. SABATH, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it shall
2 be in order to move that the House resolve itself into the
3 Committee of the Whole House on the state of the Union
4 for the consideration of the bill (H. R. 7565) to amend the
5 Emergency Price Control Act of 1942, to aid in preventing
6 inflation, and for other purposes. That after general debate,
7 which shall be confined to the bill and continue not to exceed
8 one day, to be equally divided and controlled by the chair-
9 man and ranking minority member of the Committee on
10 Banking and Currency, the bill shall be read for amend-
11 ment under the five-minute rule. At the conclusion of such
12 consideration, the Committee shall rise and report the bill

RESOLUTION

For the consideration of H. R. 7565, a bill to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

By Mr. SABATH

SEPTEMBER 21, 1942

Referred to the House Calendar and ordered to be printed

1 to the House with such amendments as may have been
2 adopted and the previous question shall be considered as
3 ordered on the bill and amendments thereto to final passage
4 without intervening motion, except one motion to recommit.

AMENDING THE EMERGENCY PRICE CONTROL ACT OF 1942, TO AID IN PREVENTING INFLATION, AND FOR OTHER PURPOSES

SEPTEMBER 21, 1942.—Committed to the Committee of the Whole House on the
state of the Union and ordered to be printed

Mr. STEAGALL, from the Committee on Banking and Currency, sub-
mitted the following

R E P O R T

[To accompany H. R. 7565]

The Committee on Banking and Currency, to whom was referred the bill (H. R. —) to amend the Emergency Price Control Act of 1942, to prevent inflation, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

In his message to the Congress dated September 7, 1942, the President urged the importance of stabilizing the cost of living, including stabilization of wages and the price of farm commodities.

The continued expansion of buying power, in the midst of scarcity of commodities, necessarily tends to bring about price levels that promote inflation. In addition, the enormous expenditures in connection with the war program create enlarged circulation of money and increase of bank credit. It is therefore necessary to use the various powers of Government if we are to restrain and prevent unwholesome and destructive developments.

It is believed that the measure herewith reported will aid in preventing further inflationary tendencies and further dislocation of our domestic economy during the war.

Section 1 authorizes and directs the President to stabilize prices, wages, salaries, and other factors affecting the cost of living. It directs that such stabilization shall so far as practicable be on the basis of the levels which existed on August 15, 1942, but permits the President to provide for making adjustments with respect to such prices, wages, salaries, and other factors, to the extent that he finds necessary to correct gross inequities.

Section 2 authorizes the President to promulgate regulations necessary and proper to carry out the provisions of the act; authorizes him to exercise any authority conferred upon him by the act through such

department, agency, or officer as he shall direct; and authorizes him to suspend any provisions of law relating to the establishment or maintenance of prices, or to wages, salaries, or other factors affecting the cost of living which are inconsistent with the purposes of the act.

Section 3 prohibits the establishment or maintenance, under the act or otherwise, of any maximum price for any agricultural commodity below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture: (1) The parity price (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or, in case a comparable price has been determined under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner), or (2) the highest price received by farmers between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials). Section 3 also prohibits the establishment or maintenance, under the act or otherwise, of a maximum price for any commodity, processed or manufactured in whole or substantial part from any agricultural commodity, below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) above. The foregoing provisions are qualified by a proviso authorizing the President to adjust the price for any commodity between January 1, 1942, and September 15, 1942, to the extent that he finds necessary to correct gross inequities.

Section 4 prohibits the taking of any action with respect to wages or salaries, under the act, (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, (2) which is inconsistent with any recommendation or order of any agency of the Federal Government affecting the wages or salaries of employees whose cases were pending before such agency on September 15, 1942, and were undetermined on the date of the enactment of the act, or (3) with respect to wages or salaries which have not reached a 15-percent increased cost-of-living level above the wages or salaries paid on January 1, 1941, or (4) for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942. The foregoing provisions are qualified by a proviso authorizing the President to adjust wages or salaries to the extent that he finds necessary to correct gross inequities.

Section 5 provides that no employer shall pay, and no employee shall receive, any further increase in wages or salaries, unless approved by the President or such agency as he may designate. It also provides that the President shall prescribe the extent to which any wage or salary payment made in contravention of the act shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation. It is further provided that the section shall not apply to any employer who regularly employs less than eight persons, nor to any employee of an employer who regularly employs less than eight persons.

Section 6 provides that the provisions of the act, and all regulations promulgated thereunder, shall terminate on June 30, 1944, or on

such earlier date as the Congress by concurrent resolution, or the President, may prescribe.

Section 7 amends existing law for the purpose of carrying out the recommendation of the President with respect to the placing of a floor under prices of farm products. It authorizes and directs the Secretary of Agriculture to make loans and purchases and to carry on other operations with respect to nonbasic agricultural commodities for which he finds it necessary to encourage the expansion of production and with respect to basic agricultural commodities, so as to support the price for the producers of such commodities at not less than 90 percent of the parity price therefor, or at not less than 90 percent of the comparable price therefor if a comparable price has been established. Loans, purchases, and operations are to be so made and carried on only in the case of agricultural commodities harvested after December 31, 1941, and before the expiration of the 3-year period beginning with the 1st of January immediately following the date upon which the President proclaims the termination of hostilities in the present war. It is provided that in the case of agricultural commodities upon which loans are made, such loans shall be made at 90 percent of the parity price therefor, or at 90 percent of the comparable price therefor if a comparable price has been established.

Section 8 provides for a penalty, in the case of any willful violation of the act or of any regulation promulgated thereunder, of a fine of not more than \$5,000, or imprisonment for not more than 1 year, or both.

Section 9 amends section 1 (b) of the Emergency Price Control Act of 1942, so as to extend the time for the termination of that act, by striking out "June 30, 1943" and substituting "June 30, 1944". This will mean that the Emergency Price Control Act of 1942 and the legislation here being reported to the House will have the same termination date.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows: Existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman.

AN ACT To extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act approved January 31, 1935 (49 Stat. 4), as amended, is hereby amended by deleting from the first sentence thereof the term "June 30, 1941" and inserting in lieu thereof the term "June 30, 1943".

SEC. 2. Section 1 of the Act approved March 8, 1938 (52 Stat. 107), as amended, is hereby amended by deleting from the second sentence thereof the term "on the basis of market prices at the time of appraisal" and inserting in lieu thereof the term "on the basis of the cost, including not more than one year of carrying charges, of such assets to the Corporation, or the average market prices of such assets for a period of twelve months ending with March 31 of each year, whichever is less;"

SEC. 3. Section 4 of the Act approved March 8, 1938 (52 Stat. 108), as amended, is hereby amended by deleting the term "\$1,400,000,000" and inserting in lieu thereof the term "\$2,650,000,000."

SEC. 4. (a) Whenever during the existing emergency the Secretary of Agriculture finds it necessary to encourage the expansion of production of any non-basic agricultural commodity, he shall make public announcement thereof and

he shall so use the funds made available under section 3 of this Act or otherwise made available to him for the disposal of agricultural commodities, through a commodity loan, purchase, or other operation, taking into account the total funds available for such purpose for all commodities, so as to support a price for the producers of any such commodity with respect to which such announcement was made of not less than 85 per centum of the parity or comparable price therefor. The comparable price for any such commodity shall be determined and used by the Secretary for the purposes of this section if the production or consumption of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for basic commodities. Any such commodity loan, purchase, or other operation which is undertaken shall be continued until the Secretary has given sufficient public announcement to permit the producers of such commodity to make a readjustment in the production of the commodity. For the purposes of this section, commodities other than cotton, corn, wheat, tobacco, and rice shall be deemed to be nonbasic commodities.

(b) It is hereby declared to be the policy of the Congress that the lending and purchase operations of the Department of Agriculture (other than those referred to in subsection (a)) shall be carried out so as to bring the price and income of the producers of nonbasic commodities not covered by any such public announcement to a fair parity relationship with other commodities, to the extent that funds for such operations are available after taking into account the operations with respect to the basic commodities and the commodities listed in any such public announcement and the ability of producers to bring supplies into line with demand.

SEC. 5. The Secretary of Agriculture is authorized and directed to make loans and purchases and to carry on other operations with respect to nonbasic agricultural commodities for which he finds it necessary to encourage the expansion of production and with respect to basic agricultural commodities, harvested after December 31, 1941, and before the expiration of the three-year period beginning with the 1st day of January immediately following the date upon which the President proclaims the termination of hostilities in the present war, regardless of the purpose for which such commodities are produced or used, so as to support the price for the producers of such commodities at not less than 90 per centum of the parity price therefor, or at not less than 90 per centum of the comparable price therefor if a comparable price has been established under this Act. In the case of agricultural commodities on which loans are made, such loans shall be made at 90 per centum of the parity price therefor, or at 90 per centum of the comparable price therefor if a comparable price has been established under this Act.

EMERGENCY PRICE CONTROL ACT OF 1942

SECTION 1. * * *

(b) The provisions of this Act, and all regulations, orders, price schedules, and requirements thereunder, shall terminate on June 30, [1943] 1944, or upon the date of a proclamation by the President, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this Act is not necessary in the interest of the national defense and security, whichever date is the earlier; except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this Act and such regulations, orders, price schedules, and requirements shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

[H. Doc. No. 834, 77th Cong., 2d sess.]

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING A RECOMMENDATION THAT CONGRESS PASS LEGISLATION PLACING A FLOOR UNDER PRICES OF FARM PRODUCTS

WASHINGTON, D. C., September 7, 1942.

To the Congress of the United States:

Four months ago, on April 27, 1942, I laid before the Congress a seven-point national economic policy designed to stabilize the domestic economy of the United States for the period of the war. The objective of that program was to prevent any substantial further rise in the cost of living.

It is not necessary for me to enumerate again the disastrous results of a runaway cost of living—disastrous to all of us, farmers, laborers, businessmen—the Nation

itself. When the cost of living spirals upward everybody becomes poorer, because the money he has and the money he earns buys so much less. At the same time the cost of the war, paid ultimately from taxes of the people, is needlessly increased by many billions of dollars. The national debt, at the end of the war, would become unnecessarily greater. Indeed, the prevention of a spiraling domestic economy is a vital part of the winning of the war itself.

I reiterate the seven-point program which I presented April 27, 1942:

1. To keep the cost of living from spiraling upward, we must tax heavily, and in that process keep personal and corporate profits at a reasonable rate, the word "reasonable" being defined at a low level.

2. To keep the cost of living from spiraling upward, we must fix ceilings on the prices which consumers, retailers, wholesalers, and manufacturers pay for the things they buy; and ceilings on rents for dwellings in all areas affected by war industries.

3. To keep the cost of living from spiraling upward, we must stabilize the remuneration received by individuals for their work.

4. To keep the cost of living from spiraling upward, we must stabilize the prices received by growers for the products of their lands.

5. To keep the cost of living from spiraling upward, we must encourage all citizens to contribute to the cost of winning this war by purchasing War bonds with their earnings instead of using those earnings to buy articles which are not essential.

6. To keep the cost of living from spiraling upward, we must ration all essential commodities of which there is a scarcity, so that they may be distributed fairly among consumers and not merely in accordance with financial ability to pay high prices for them.

7. To keep the cost of living from spiraling upward, we must discourage credit and installment buying, and encourage the paying off of debts, mortgages, and other obligations; for this promotes savings, retards excessive buying, and adds to the amount available to the creditors for the purchase of War bonds.

In my message of 4 months ago, I pointed out that in order to succeed in our objective of stabilization it was necessary to move on all seven fronts at the same time; but that two of them called for legislation by the Congress before action could be taken. It was obvious then, and it is obvious now, that unless those two are realized, the whole objective must fail. These are points numbered 1 and 4—namely, an adequate tax program and a law permitting the fixing of price ceilings on farm products at parity prices.

I regret to have to call to your attention the fact that neither of these two essential pieces of legislation has as yet been enacted into law. That delay has now reached the point of danger to our whole economy.

However, we are carrying out, by Executive action, the other parts of the seven-point program which did not require congressional action.

Price ceilings have been fixed on practically all commodities (other than certain exempted agricultural products), and on rents in war-production areas of the United States.

This process of keeping prices and rents at reasonable levels constitutes one of the most far-reaching economic steps that this Nation has ever taken—in time of peace or war.

Our experience during the last 4 months has proved that general control of prices is possible—but only if that control is all-inclusive. If, however, the costs of production, including labor, are left free to rise indiscriminately, or if other major elements in the costs of living are left unregulated, price control becomes impossible. If markets are flooded with purchasing power in excess of available goods, without taking adequate measures to siphon off the excess purchasing power, price control becomes likewise impossible.

Our entire effort to hold the cost of living at its present level is now being sapped and undermined by further increases in farm prices and in wages, and by an ever-continuing pressure on prices resulting from the rising purchasing power of our people.

Annual wage and salary disbursements have increased from 43.7 billion dollars in 1939 to an estimated 75 billion dollars in 1942. This represents an increase of 71 percent. To obtain a full appreciation of what that increase means, we should remember that 75 billion dollars is more than our total national income was during any single year in the 1930's. Due to constantly increasing employment overtime, and wage-rate increases, the annual wage and salary bill for the entire country has been rising by more than a billion dollars a month.

It is impossible for the cost of living to be stabilized while farm prices continue to rise. You cannot expect the laborer to maintain a fixed wage level if everything he wears and eats begins to go up drastically in price. On the other hand, it is impossible to keep any prices stable—farm prices or other prices—if wage rates, one of the most important elements in the cost of production, continue to increase.

But even if the process of stabilization of all prices and wages at present levels were to be brought about, there would still remain the great upward pressure on the cost of living created by the vast amount of purchasing power which has been earned in all sections of the country. The national income has been increasing since January 1, 1941, at the average rate of 2 percent each month. This purchasing power now exceeds by an estimated 20 billions the amount of goods which will be available for purchase by civilians this year. The result obviously is that people compete more and more for the available supply of goods; and the pressure of this great demand compared with the small supply—which will become smaller and smaller—continually threatens to disrupt our whole price structure.

A recent study by the Bureau of Labor Statistics has shown very strikingly how much the incomes of the average of families have gone up during the first quarter of 1942. If we assume that the income for the first quarter of 1942 is a fair basis for estimating what the family income will be for the entire year, the results of the study show that whereas less than one-fourth of all families in the United States received as much as \$2,500 in 1941, more than one-third will have \$2,500 or more in 1942. This shows how much the purchasing power of the average American family has gone up as a result of war production and how essential it is to control that purchasing power by taxation and by investment in war bonds.

We also know that as the war goes on there will not be an adequate supply of all civilian goods; that only through strict rationing, wherever necessary, will these goods be equitably distributed. We are determined that no group shall suffer a shrinkage of its normal quota of basic necessities because some richer group can buy all the available supply at high prices.

In normal peacetimes the ordinary processes of collective bargaining are sufficient in themselves. But in wartimes and particularly in times of greatly increasing prices, the Government itself has a very vital interest in seeing to it that wages are kept in balance with the rest of the economy. It is still the policy of the Federal Government to encourage free collective bargaining between employers and workers; and that policy will continue. Owing to the fact that costs of production are now, in so many cases, being passed on to the Government, and that so large a percentage of profits would be taken away by taxation, collective bargaining between employers and employees has changed a great deal from what it was in peacetimes. In times of danger to our economy the Government itself must step into the situation to see to it that the processes of collective bargaining and arbitration and conciliation are not permitted to break up the balances between the different economic factors in our system.

War calls for sacrifice. War makes sacrifice a privilege. That sacrifice will have to be expressed in terms of a lack of many of the things to which we all have become accustomed. Workers, farmers, white-collar people, and businessmen must expect that. No one can expect that, during the war, he will always be able to buy what he can buy today.

If we are to keep wages effectually stabilized, it becomes imperative, in fairness to the worker, to keep equally stable the cost of food and clothing and shelter and other articles used by workers.

Prices and rents should not be allowed to advance so drastically ahead of wage rates that the real wages of workers as of today—their ability to buy food and clothing and medical care—will be cut down. For if the cost of living goes up as fast as it is threatening to do in the immediate future, it will be unjust, in fact impossible, to deny workers rises in wages which would meet at least a part of that increase.

The cost of all food used by wage earners—controlled and uncontrolled—has been going up at the rate of $1\frac{1}{4}$ percent per month since the price ceilings were set in May 1942. If this rise should be permitted to continue, the increased cost of food to wage earners next May would be more than 15 percent over the level which existed when the ceilings were set.

This would be equal to imposing a 15-percent sales tax on all food purchased by wage earners. Obviously no one would consider imposing such a tax.

This drastic increase has been caused, and will be caused, chiefly by the fact that number of food commodities are exempt under existing law.

In the case of these exempt commodities the increases are even more startling. The cost of such food used by wage earners has been rising at an average of $3\frac{1}{4}$ percent per month since May 1, 1942.

Prices received by farmers have risen 85 percent since the outbreak of the war in September 1939, and these prices are continuing to rise. Cash farm income, including Government payments, has increased from 8.7 billion dollars in 1939 to substantially more than 15 billion dollars in 1942. This is an increase of about 75 percent.

The movement of uncontrolled food prices since May 18, 1942, the date when price regulation became effective, has been so drastic as to constitute an immediate threat to the whole price structure, to the entire cost of living, and to any attempt to stabilize wages.

Within 2 months after the date that price regulation became effective, the prices of controlled foods actually fell seven-tenths of 1 percent. But uncontrolled foods advanced 7.3 percent during the same period, and are still going up:

To give some specific examples: From May to August of this year round steak and pork chops, which are controlled, showed a slight decline; but during the same period lamb, which was uncontrolled up to July, advanced more than 10 percent, and chickens have advanced more than 16 percent.

To take another example: Lard, which is a controlled product, dropped nearly 5 percent; whereas, butter, which is uncontrolled, went up more than 6 percent or twice the normal seasonal rate. Oranges have gone up more than 25 percent, although the normal seasonal increase is only about 6 or 7 percent.

Uncontrolled agricultural commodities include some of the most important of the foods and include the grain foods necessary for livestock. When you consider that in this category are wheat, corn, oats, barley, rye, dry beans, cotton, sweetpotatoes, apples, sheep, butterfat, wholesale milk, chickens, eggs, and oranges you can realize how important these products are to the pocketbook of the housewife.

The greatest danger is in dairy products, which are, as you know, most important items in the American diet. Butter, cheese, and evaporated milk are exempt under the Price Control Act. The prices for these have been going up so fast that they constitute a serious threat to an adequate supply of fluid milk. Unless we are able to get control of butter, cheese, and other dairy products in the very near future, the price of milk in large cities is certain to go up.

If wages should be stabilized and farm prices be permitted to rise at any rate like the present rate, workers will have to bear the major part of the increase. This we cannot ask. The Congress must realize that unless the existing control over farm prices is strengthened, we must abandon our efforts to stabilize wages and salaries and the cost of living. If that occurs, workers and farmers alike will not only suffer a reduction in real income, but will bring upon themselves and the Nation the unparalleled disaster of unchecked inflation.

The reason why price ceilings have not already been imposed on all food products is, as you know, that paragraph 3 of the Emergency Price Control Act prohibits such ceilings until farm prices as a whole have gone up beyond parity prices—far beyond—as high as an average of 16 percent beyond.

Although that restriction upon establishing ceilings for farm products usually is referred to as the 110 percent of parity limitation, it is much worse than that. The statute provides other limitations which are more drastic. Ceilings cannot be imposed, under the statute, on any product at a level below the market price on October 1, 1941, or December 15, 1941, or the average price for the period July 1, 1919 to June 30, 1929, or below 110 percent of current parity, whichever of those four levels is highest. As a result, the lowest average level for all farm commodities at which ceilings may be imposed is not 110 percent, but 116 percent of parity—some of the commodities going almost as high as 150 percent of parity.

Even more important is the psychological effect of such unfair privilege. It provides fuel for fires of resentment against farmers as a favored class. After all, parity is, by its very definition, a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production including the cost of labor. As a result parity prices may shift every time wage rates shift. Insisting that the ceilings on no farm commodity shall ever be lower than 110 percent of parity is asking for more than a fair price relationship with other prices.

In fact, the limitations on agricultural ceilings are now being cited by other groups as a reason for resisting economic controls that are needed in their own

fields. The limitations will be a rallying point for such opposition as long as they are in effect.

As I urged in my message of April 27, 1942, "the original and excellent objective of obtaining parity for the farmers of the United States should be restored."

Our policy with respect to farm products should be guided by three principles: First, to hold the line against inflationary price increases. Second, to get the required production of necessary farm products. Third, to maintain the principle of parity for agriculture.

Agricultural ceilings should be permitted at either parity or at the price levels which prevailed at some recent date, whichever is higher. In most cases the formula would preserve the general structure of wholesale and retail price controls, and would also call out the volume of production needed. Also, it would preserve the parity principle.

In regard to increasing the total of our food production, one of the worries that a farmer has today is the shortage of labor for cultivating and harvesting crops. The time is soon coming when in many parts of the country we shall have to use seasonally the help of women and grown young people. I feel certain the Nation will cooperate wholeheartedly.

It not only would be unfair to labor to stabilize wages and do nothing about the cost of food; it would be equally unfair to the farmer. For we must all remember that the farmer's wife buys many articles of food at the store for the use of her own family, and high prices hurt her pocketbook as much as that of the city housewife.

What is needed, therefore, is an over-all stabilization of prices, salaries, wages, and profits. That is necessary to the continued production of planes and tanks and ships and guns at the present constantly increasing rate.

We cannot hold the actual cost of food and clothing down to approximately the present level beyond October 1. But no one can give any assurances that the cost of living can be held down after that date.

Therefore, I ask the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities. The purpose should be to hold farm prices at parity, or at levels of a recent date, whichever is higher.

I ask the Congress to take this action by the 1st of October. Inaction on your part by that date will leave me with an inescapable responsibility to the people of this country to see to it that the war effort is no longer imperiled by threat of economic chaos.

In the event that the Congress should fail to act, and act adequately, I shall accept the responsibility, and I will act.

At the same time that farm prices are stabilized, wages can and will be stabilized also. This I will do.

The President has the powers, under the Constitution and under congressional acts, to take measures necessary to avert a disaster which would interfere with the winning of the war.

I have given the most thoughtful consideration to meeting this issue without further reference to the Congress. I have determined, however, on this vital matter to consult with the Congress.

There may be those who will say that, if the situation is as grave as I have stated it to be, I should use my powers and act now. I can only say that I have approached this problem from every angle, and that I have decided that the course of conduct which I am following in this case is consistent with my sense of responsibility as President in time of war, and with my deep and unalterable devotion to the processes of democracy.

The responsibilities of the President in wartime to protect the Nation are very grave. This total war, with our fighting fronts all over the world, makes the use of executive power far more essential than in any previous war.

If we were invaded the people of this country would expect the President to use any and all means to repel the invader.

The Revolution and the War between the States were fought on our own soil, but today this war will be won or lost on other continents and remote seas.

I cannot tell what powers may have to be exercised in order to win this war.

The American people can be sure that I will use my powers with a full sense of my responsibility to the Constitution and to my country. The American people can also be sure that I shall not hesitate to use every power vested in me to accomplish the defeat of our enemies in any part of the world where our own safety demands such defeat.

When the war is won, the powers under which I act automatically revert to the people—to whom they belong.

In March and April 1933, this Nation faced a threatening domestic situation calling for the most drastic measures. The Congress, alive to the needs of that day, formulated and enacted whatever was required to do the job before it—without long debate, without party politics, and without heed to the pressures of any special group looking for advantages for itself.

I need not argue the point that the situation facing the Nation today is infinitely more critical than it was 10 years ago. We are fighting a war of survival. Nothing can yield to the over-all necessity of winning this war, and the winning of the war will be imperiled by a runaway domestic economy.

As a part of our general program on farm prices, I recommend that Congress in due time give consideration to the advisability of legislation which would place a floor under prices of farm products, in order to maintain stability in the farm market for a reasonable future time. In other words, we should find a practicable method which will not only enable us to place a reasonable ceiling or maximum price upon farm products but which will enable us also to guarantee to the farmer that he would receive a fair minimum price for his products for 1 year, or even 2 years—or whatever period is necessary after the end of the war. Every farmer remembers what happened to his prices after the last war. We can, I am sure, if we act promptly and wisely, stabilize the farmers' economy so that the post-war disaster of 1920 will not overtake him again.

The farmer, instead of looking forward to a new collapse in farm prices at the end of the war, should be able to look forward with assurance to receiving a fair minimum price for 1 or 2 years after the war. Such a national policy could be established by legislation.

In computing parity, we should continue to use the computations of the Bureau of Agricultural Economics made under the law as it stands today. And in determining whether a commodity has reached parity, we should include all the benefits received by the farmer from his Government under the A. A. A. program, allocable to the particular commodity. For it is unfair to give a farmer a parity price, and, in addition, to pay him benefits which will give him far more than parity.

I have confidence that the American farmer who has been doing so much in the battle of production of food will do as much in this struggle against economic forces which make for the disaster of inflation; for nobody knows better than the farmer what happens when inflationary, wartime booms are permitted to become post-war panics.

With respect to point seven of the program of April 27, 1942, we have made certain credit rulings designed to curtail unnecessary buying; and whatever else has to be done along these lines will be done.

With respect to point six, rationing is now in effect on some commodities, and, when necessary, will be extended to others.

But with respect to point 1—a fair tax program—that still waits upon the Congress to act.

One of the most powerful weapons in our fight to stabilize living costs is taxation. It is a powerful weapon because it reduces the competition for consumers' goods—especially scarce foods.

The cooperation and self-restraint of the whole Nation will be required to stabilize the cost of living. The stabilization of the cost of living cannot be maintained without heavy taxes on everyone except persons with very low incomes. With such increases in the tax load, unfair tax distribution becomes less and less tolerable. We can rightfully expect the fullest cooperation and self-restraint only if the tax burden is being fairly levied in accordance with ability to pay.

This means that we must eliminate the tax exemption of interest on State and local securities, and other special privileges or loopholes in our tax law.

It means that in the higher income brackets, the tax rate should be such as to give the practical equivalent of a top limit on an individual's net income after taxes, approximating \$25,000. It means that we must recapture through taxation all wartime profits that are not necessary to maintain efficient all-out war production. Such provisions will give assurance that the sacrifices required by war are being equitably shared.

Next to military and naval victory, a victory along this economic front is of paramount importance. Without it our war production program will be hindered. Without it we would be allowing our young men, now risking their lives in the air, on land, and on the sea, to return to an economic mess of our own making. The least that we at home can do for them is to see that our production increases every

day so as to give them the weapons of war with which to fight, and to make sure that our economy at home continues to be one to which they can return with confidence and security.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
Washington, September 16, 1942.

HON. HENRY B. STEAGALL,
The House of Representatives.

MY DEAR MR. STEAGALL: My attention has been drawn to proposals to revise the parity formula in connection with the legislation I requested on September 7. I understand that it is proposed to include certain allowance for farm labor in the index of the prices which farmers pay that is used in computing parity prices.

I should like to make clear my unalterable opposition to any recomputation of parity at this time. In my message of September 7 I stated, "In computing parity, we should continue to use the computations of the Bureau of Agricultural Economics made under the law as it stands today." This will continue to be my policy.

Earlier in my message I stated, "After all, parity is, by its very definition, a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production including the cost of labor." By that I meant what the language states—that parity is fair, and it is fair because it now includes the labor cost incorporated in the prices of the things which farmers buy. It is this which brings farmers into a fair relationship with other groups. This is the purpose of parity. This the present formula does.

The parity principle for which this administration has stood since 1933 was a good standard for peacetime—it is a good stand for war. To recalculate parity now, and to offer the public 100 percent of a new and higher parity, would be to offer stabilization, yet destroy the possibility of achieving it.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

○



Union Calendar No. 879

77TH CONGRESS
2D SESSION

H. R. 7565

[Report No. 2472]

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 21, 1942

Mr. STEAGALL introduced the following bill; which was referred to the Committee on Banking and Currency

SEPTEMBER 21, 1942

Committed to the Committee of the Whole House on the state of the Union
and ordered to be printed

A BILL

To amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That in order to aid in the effective prosecution of the war,
4 the President is authorized and directed to stabilize prices,
5 wages, salaries, and other factors affecting the cost of living;
6 and such stabilization shall so far as practicable be on the
7 basis of the levels which existed on August 15, 1942. In
8 exercising the authority conferred by this Act, the President
9 may provide for making adjustments with respect to such

1 prices, wages, salaries, and other factors, to the extent that
2 he finds necessary to correct gross inequities.

3 SEC. 2. The President may, from time to time, promul-
4 gate such regulations as may be necessary and proper to
5 carry out any of the provisions of this Act; may exercise any
6 power or authority conferred upon him by this Act through
7 such department, agency, or officer as he shall direct; and may
8 suspend any provisions of law relating to the establishment or
9 maintenance of prices, or to wages, salaries, or other factors
10 affecting the cost of living which are inconsistent with the
11 purposes of this Act.

12 SEC. 3. Notwithstanding any provision of the Emergency
13 Price Control Act of 1942, no maximum price shall be estab-
14 lished or maintained for any agricultural commodity under
15 authority of this Act or otherwise below a price which will
16 reflect to producers of agricultural commodities the higher of
17 the following prices, as determined and published by the Sec-
18 retary of Agriculture—

19 (1) The parity price for such commodity (adjusted
20 by the Secretary of Agriculture for grade, location, and
21 seasonal differentials) or, in case a comparable price
22 has been determined for such commodity under and in
23 accordance with the provisions of section 3 (b) of the
24 Emergency Price Control Act of 1942, such comparable
25 price (adjusted in the same manner) ; or

1 (2) The highest price received by farmers between
2 January 1, 1942, and September 15, 1942 (adjusted by
3 the Secretary of Agriculture for grade, location, and sea-
4 sonal differentials) ;
5 and no maximum price shall be established or maintained
6 under authority of this Act or otherwise for any commodity
7 processed or manufactured in whole or substantial part from
8 any agricultural commodity below a price which will reflect
9 to the producers of such agricultural commodity a price there-
10 for equal to the higher of the prices specified in clauses (1)
11 and (2) of this section: *Provided*, That the President may
12 adjust the price for any commodity between January 1, 1942,
13 and September 15, 1942, to the extent that he finds necessary
14 to correct gross inequities.

15 SEC. 4. No action shall be taken under authority of this
16 Act with respect to wages or salaries (1) which is incon-
17 sistent with the provisions of the Fair Labor Standards Act
18 of 1938, as amended; (2) which is inconsistent with any
19 recommendation or order of any agency of the Federal Gov-
20 ernment affecting the wages or salaries of employees whose
21 cases were pending before such agency on September 15,
22 1942, and were undetermined on the date of enactment of
23 this Act; or (3) with respect to wages or salaries which have
24 not reached a 15 per centum increased cost of living level
25 above the wages or salaries paid on January 1, 1941; or (4)

1 for the purpose of reducing the wages or salaries for any
2 particular work below the highest wages or salaries paid
3 therefor between January 1, 1942, and September 15, 1942:
4 *Provided*, That the President may adjust wages or salaries
5 to the extent that he finds necessary to correct gross
6 inequities.

7 SEC. 5. No employer shall pay, and no employee shall
8 receive, any further increase in wages or salaries unless ap-
9 proved by the President or such agency as he may designate.
10 The President shall prescribe the extent to which any wage
11 or salary payment made in contravention of this Act shall be
12 disregarded by the executive departments and other govern-
13 mental agencies in determining the costs or expenses of any
14 employer for the purposes of any other law or regulation:
15 *Provided*, That this section shall not apply to any employer
16 who regularly employs less than eight persons nor to any em-
17 ployee of any employer who regularly employs less than
18 eight persons.

19 SEC. 6. The foregoing provisions of this Act, and all
20 regulations thereunder, shall terminate on June 30, 1944, or
21 on such earlier date as the Congress by concurrent resolution,
22 or the President, may prescribe.

23 SEC. 7. The Act entitled "An Act to extend the life and
24 increase the credit resources of the Commodity Credit Cor-
25 poration, and for other purposes", approved July 1, 1941

1 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a-8), is
2 amended by inserting at the end thereof the following new
3 section:

4 "SEC. 5. The Secretary of Agriculture is authorized and
5 directed to make loans and purchases and to carry on other
6 operations with respect to nonbasic agricultural commodities
7 for which he finds it necessary to encourage the expansion
8 of production and with respect to basic agricultural com-
9 modities, harvested after December 31, 1941, and before the
10 expiration of the three-year period beginning with the 1st day
11 of January immediately following the date upon which the
12 President proclaims the termination of hostilities in the present
13 war, regardless of the purpose for which such commodities
14 are produced or used, so as to support the price for the pro-
15 ducers of such commodities at not less than 90 per centum
16 of the parity price therefor, or at not less than 90 per centum
17 of the comparable price therefor if a comparable price has
18 been established under this Act. In the case of agricultural
19 commodities on which loans are made, such loans shall be
20 made at 90 per centum of the parity price therefor, or at
21 90 per centum of the comparable price therefor if a compa-
22 rable price has been established under this Act."

23 SEC. 8. Any individual, corporation, partnership, or asso-
24 ciation willfully violating any provision of this Act, or of any
25 regulation promulgated thereunder, shall, upon conviction

1 thereof, be subject to a fine of not more than \$5,000, or to
2 imprisonment for not more than one year, or to both such
3 fine and imprisonment.

4 SEC. 9. Section 1 (b) of the Emergency Price Control
5 Act of 1942 is hereby amended by striking out "June 30,
6 1943" and substituting "June 30, 1944".

77TH CONGRESS
2^D Session

H. R. 7565

[Report No. 2472]

A BILL

To amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

By Mr. STEAGALL

SEPTEMBER 21, 1942

Referred to the Committee on Banking and Currency

SEPTEMBER 21, 1942

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

77TH CONGRESS
2D SESSION

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 1942

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BALL to the joint resolution
(S. J. Res. 161) to aid in stabilizing the cost of living,
viz:

1 On page 4, line 14, after the words "SEC. 4." insert
2 “(a)”.

3 On page 5, after line 6, insert the following new sub-
4 section:

5 “(b) Except as hereinafter provided, no employer shall
6 increase the salary or the straight-time hourly wage rate of
7 any of his employees unless such increase has been approved
8 by the President or such agency as he may designate to ad-
9 minister this subsection. No increase in salaries or in

1 straight-time hourly wage rates above those being paid by
2 the employer for the same work on September 15, 1942,
3 shall be so approved unless such increase (1) does not raise
4 such salaries or straight-time hourly wage rates more than
5 15 per centum above the average salaries or straight-time
6 hourly wage rates for the same work prevailing in the
7 affected industry on January 1, 1941, or (2) is found by
8 the President or such designated agency to be necessary to
9 correct gross inequities. This subsection shall not apply in
10 the case of (1) any salary increase which does not increase
11 the salary of the affected employee to an amount in excess
12 of \$5,000 per annum, (2) wage increases which do not
13 increase straight-time hourly wage rates of affected employees
14 to an amount in excess of 60 cents per hour, (3) wage in-
15 creases which affect fewer than 25 employees of a particular
16 employer, or (4) any salary or wage increase which com-
17 pensates the affected employee for added responsibility or
18 added work resulting from a promotion. The President or
19 such designated agency shall define the conditions under
20 which such approval shall be required in the case of salaries
21 or wages paid to new employees by an employer."

77TH CONGRESS
2^D SESSION

S. J. RES. 161

AMENDMENT

Intended to be proposed by Mr. BAILEY to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

SEPTEMBER 21, 1942

Ordered to lie on the table and to be printed

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 1942

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HATCH to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, viz: On page 4, at the end of line 13, add the following new paragraph:

- 1 For purposes of this section, parity prices and comparable
- 2 prices for any agricultural commodity shall be determined as
- 3 authorized by existing law but shall also include all farm
- 4 labor.

77TH CONGRESS
2d Session

S. J. RES. 161

AMENDMENT

Intended to be proposed by Mr. HATCH to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

SEPTEMBER 21, 1942

Ordered to lie on the table and to be printed

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 1942

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. McKELLAR to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, viz:

- 1 On page 4, line 13, before the period insert a colon and
- 2 the following: "*Provided further*, That in the fixing of maxi-
- 3 mum prices on products resulting from the processing of agri-
- 4 cultural commodities, including livestock, a generally fair and
- 5 equitable margin shall be allowed for such processing".

77TH CONGRESS
2^D Session

S. J. RES. 161

AMENDMENT

Intended to be proposed by Mr. McKellar to
the joint resolution (S. J. Res. 161) to aid
in stabilizing the cost of living.

SEPTEMBER 21, 1942

Ordered to lie on the table and to be printed

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 1942

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. NORRIS to the joint resolution
(S. J. Res. 161) to aid in stabilizing the cost of living, viz:

- 1 On page 2, after line 6, insert the following: "*Provided,*
- 2 That rates charged by any common carrier or other public
- 3 utility on September 15, 1942, shall not be increased with-
- 4 out the consent of the President."

77TH CONGRESS
2^D SESSION

S. J. RES. 161

AMENDMENT

Intended to be proposed by Mr. Norris to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

SEPTEMBER 21, 1942

Ordered to lie on the table and to be printed

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 1942

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. TUNNELL to the joint resolution
(S. J. Res. 161) to aid in stabilizing the cost of living, viz:

- 1 On page 6, after line 18, insert the following new subsection:
- 2 (d) In the administration of the provisions of the Emer-
- 3 gency Price Control Act of 1942 and this joint resolution,
- 4 and in selection of persons to serve on rent, price, and ration-
- 5 ing boards of the Office of Price Administration, there shall
- 6 be no discrimination on account of race, creed, or color.

77TH CONGRESS
2^D Session

S. J. RES. 161

AMENDMENT

Intended to be proposed by Mr. TUNNELL to the
joint resolution (S. J. Res. 161) to aid in
stabilizing the cost of living.

SEPTEMBER 21, 1942

Ordered to lie on the table and to be printed

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 1942

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. TUNNELL to the joint resolution
(S. J. Res. 161) to aid in stabilizing the cost of living, viz:

- 1 On page 4, line 13, before the period insert a colon and
- 2 the following: "*Provided further*, That in fixing maximum
- 3 prices for products resulting from the processing of agricul-
- 4 tural commodities, including livestock, a fair and reasonable
- 5 margin shall be allowed for such processing".

9-21-42—H

77TH CONGRESS
2^D Session

S. J. RES. 161

AMENDMENT

Intended to be proposed by Mr. TUNNELL to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

SEPTEMBER 21, 1942

Ordered to lie on the table and to be printed

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 1942

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. THOMAS of Oklahoma to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, viz: On page 4, at the end of line 13, add the following new paragraph:

- 1 For purposes of this section, parity prices and com-
- 2 parable prices for any agricultural commodity shall be deter-
- 3 mined as authorized by existing law but shall also include
- 4 all farm labor.

77TH CONGRESS
2d Session

S. J. RES. 161

AMENDMENT

Intended to be proposed by Mr. THOMAS of
Oklahoma to the joint resolution (S. J. Res.
161) to aid in stabilizing the cost of living.

SEPTEMBER 21, 1942

Ordered to lie on the table and to be printed

77TH CONGRESS
2^D SESSION

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 21, 1942

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. LANGER to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, viz: Strike out all after the enacting clause and in lieu thereof insert the following:

- 1 That, notwithstanding any other provision of law, the
- 2 President is authorized to take such action as may be neces-
- 3 sary to stabilize the cost of living, provided that the President
- 4 will submit to the Congress prior to October 1, 1942, a plan
- 5 showing in detail the action proposed to be taken under the
- 6 authority hereby conferred and the officers and agencies by or
- 7 through whom such authority is to be administered. This
- 8 joint resolution shall not be construed to authorize any action
- 9 which is not provided for in such plan. Such plan shall not

1 take effect until the tenth day after the date on which it is
 2 submitted to the Congress; and such plan and all authority
 3 under this joint resolution shall cease to be effective if and
 4 when the two Houses of the Congress, by a concurrent reso-
 5 lution, disapprove such plan.

9-21-42—C

77TH CONGRESS
 2d Session

S. J. RES. 161

AMENDMENT

Intended to be proposed by Mr. LANGER to the
 joint resolution (S. J. Res. 161) to aid in
 stabilizing the cost of living.

SEPTEMBER 21, 1942

Ordered to lie on the table and to be printed

ties of this agency of the Federal Government and upon its sound supervisory influence over the 13,500 insured banks of the country.

It is encouraging, indeed, to note among the conclusions of the Corporation's Chairman, Leo T. Crowley, that—

Depositors throughout the country have every reason today for confidence in the soundness of the American banking system. The banks have today fewer criticized assets than at any other time in their history. They consequently are in an excellent position to lend vigorous support to financing the war effort.

Through June 30, 1942, 381 insured banks, having 1,247,638 depositors with total deposits of \$479,497,000, had been liquidated or merged with the aid of loans from Federal Deposit Insurance Corporation. Deposits amounting to \$468,781,000, or 97.8 percent of the total deposits in these banks, were made available promptly without loss to the depositors. Only 1,952 of the 1,247,638 depositors, or less than two-tenths of 1 percent, held accounts in excess of \$5,000 and were not completely protected.

Performance of this sort by the Corporation has been perhaps the most effective stabilizing factor for our financial system in the last decade. The confidence inspired in bank depositors by the mere existence of a sizable insurance fund to protect them from loss is undoubtedly great. Knowledge that the financial strength of Federal Deposit Insurance Corporation is reinforced and husbanded through careful administration and through careful supervision of the affairs of insured institutions makes our people doubly confident of their security and so makes our financial system more stable and effective.

It is gratifying as well as significant to learn that this complete protection of depositors in the country's banks during the past 8½ years has been accomplished simultaneously with the regular growth of capital and surplus within the Corporation. On June 30, 1942, capital and surplus of F. D. I. C. amounted to about \$584,000,000. Surplus accumulated during the entire period of F. D. I. C. operations was about \$294,600,000 on that date, a figure \$4,400,000 in excess of the entire assessments collected from insured banks since deposit insurance began. In other words, all deposit insurance losses and expenses as well as all administrative expenses of the Corporation have thus far been more than covered by the Corporation's interest and profits on its investments.

Chairman Crowley sees no potential drains upon the Corporation's funds in the near future. He proposes, though, to continue accumulating reserves for the Corporation through assessment upon insured banks at the present legally prescribed rate until the effects of post-war readjustment upon the banks are known.

In such parlous times as these it is good to know that factors so vital to our national welfare as the soundness of our banking system and the safety of bank deposits are receiving the unremitting attention of a strong, well administered, eminently successful Federal agency.

The ACTING PRESIDENT pro tempore. Routine morning business is concluded.

PLANTING OF GUAYULE AND OTHER RUBBER-BEARING PLANTS

Mr. DOWNEY. Mr. President, one of the imperative recommendations of the Baruch rubber committee was that the guayule rubber-growing program should have its acreage expanded. That recommendation is supported by the President, by the War Production Board, by the Department of Agriculture, and, I think, by all other governmental agencies. In conformity with that recommendation, last week the Military Affairs Committee favorably reported Senate bill 2775. I now ask unanimous consent for the present consideration of the bill.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2775) to amend the act of March 5, 1942, relating to the planting of guayule and other rubber-bearing plants.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from California?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause and insert:

That paragraph (2) of the first section of the act entitled "An act to provide for the planting of guayule and other rubber-bearing plants and to make available a source of crude rubber for emergency and defense uses", approved March 5, 1942, is amended by striking out the word "seventy-five" and inserting in lieu thereof the words "five hundred"; and by striking out the words "and land for nurseries" before the semicolon at the end of such paragraph and inserting in lieu thereof the following: "and for nurseries and administrative sites, and water rights."

Sec. 2. Paragraph (3) of the first section of such act is amended by inserting after the first semicolon the following: "to acquire water rights; to erect necessary buildings on leased land where suitable land cannot be purchased;"

Sec. 3. Paragraph (4) of the first section of such act is amended by inserting after the first semicolon the following: "to purchase guayule shrub;"

Sec. 4. Paragraph (8) of the first section of such act is amended by striking out the words "of seventy-five" and inserting in lieu thereof the words "not in excess of 500."

Sec. 5. Section (2) (a) of such act is amended by inserting after the words "citizens of" the word "other"; and by striking out the words "in the Western Hemisphere."

Sec. 6. Section 2 of such act is amended by adding at the end thereof the following new subsection:

"(e) In carrying out the provisions of this act the Secretary shall have all of the authority conferred upon him by the act entitled 'An act to facilitate and simplify the work of the Forest Service,' approved January 31, 1931."

Mr. DOWNEY. Mr. President, the bill has three or four rather inconsequential perfecting amendments. The major objective sought to be reached by the bill is to increase the potential acreage from 75,000 to 500,000 acres, in the discretion of the Department of Agriculture. One

reason the change is made is that, strangely enough, the yield of seeds from the guayule plant was eight times what we had anticipated, which permits a greatly expanded program. It is the desire of the governmental agencies to take advantage of that possibility and to plant a larger acreage.

I submit the question upon that statement, and ask that the bill be passed.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STABILIZATION OF THE COST OF LIVING

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 161.

The ACTING PRESIDENT pro tempore. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Banking and Currency with amendments.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the formal reading of the joint resolution be dispensed with, that it be read for amendment, and that the amendments of the committee be first considered.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. BROWN. Mr. President, I should like to make a brief statement. Let me say to the Senate that, if I can proceed without interruption until 5 or 10 minutes after 1 o'clock, I think I can give a brief over-all picture. Then I shall be pleased to answer any questions with respect to the bill that may be propounded to me.

In the committee all of us strove as mightily as we could to expedite consideration of the joint resolution. On this highly important measure we spent 2 days in public hearings and 2½ days more in executive consideration. The House greatly expedited consideration by eliminating public hearings altogether. The Senator from New York [Mr. WAGNER], chairman of our committee, invited Members of the House to attend our hearings, and they did so. A great many Senators took advantage of the opportunity to attend the hearings, and some of them participated in questioning the witnesses.

I say this because I realize the necessity for very prompt consideration. I myself refrained from asking, as I recall, more than half a dozen questions or so during the hearing. I think everyone rather thoroughly understands the need and necessity for some action at the pres-

ent time. So far as I can gather, outside the consideration, perhaps, of two rather important amendments, or possibly three, there is not much disagreement about the measure. Of course, it is not written in exactly the way that this Senator or that Senator would like it written; but I think it rather well covers the general subject matter, and I think it does substantially what the President has asked.

There is no question in my mind that the Price Control Act and the pending measure, which is in substance an amendment to the Price Control Act, are by no means the only weapons necessary to combat rising costs of living. The tax bill is just as important, if not more important, in taking care of the subject of inflation. We have heard a great deal about the inflationary gap. I shall skip details, and shall give a brief analysis in the shape of five figures, two of them on the debit side and three of them on the credit side, which show what the inflationary gap is.

The inflationary gap is the amount of money which will be available for purchase of goods in excess of the supply of such goods. This is regarded by the economists, the Treasury, the Office of Price Administration, and the Department of Agriculture as the real inflation danger. It is the dammed-up purchasing power which endangers the price-control structure. It is now estimated that the national income for the calendar year 1942 will be in the neighborhood of from \$113,000,000,000 to \$115,000,000,000.

The only taxes which can be considered as a reduction of that purchasing power are the taxes paid by individuals. The taxes paid by corporations are production taxes; they are not taxes which are to be deducted from the income which individuals receive. So there will be a total of approximately \$35,000,000,000 of taxes, on the basis of State, local, and county taxes as they now are, and on the basis of the tax bill as it now stands in the Senate; but of that sum, only \$6,000,000,000 will be paid by individuals and will be deducted from their individual incomes. So I am reliably informed that the first item to stand against the \$115,000,000,000 of individual incomes in the United States, which is the basis of purchasing power, is the \$6,000,000,000 of individual income taxes.

Savings, which include the items of purchase of Government bonds, individual savings, purchases of insurance, and the payment of debts—and the President estimated that debt payments will amount to approximately \$4,000,000,000, which, of course, is a highly deflationary figure—total \$24,000,000,000. I am advised by the economists to whom I have alluded that that \$24,000,000,000 may be deducted along with the \$6,000,000,000.

It is further estimated that at the present level of supplies there will be \$65,000,000,000 worth of goods for consumers to buy on the basis prices under the general maximum price regulation. Those are the goods which will be bought by consumers—food, clothing, and all the things which consumers will buy, things which we as individuals require.

On the other side of the ledger there is a total of \$85,000,000,000, which, as will

be seen, leaves a gap of between \$18,000,000,000 and \$20,000,000,000 as the amount of money which will be available to individuals in the United States to spend, but for which no goods will be available for purchase. I hope I have made the matter plain; I have tried to state it as clearly as possible.

The gap of between \$18,000,000,000 and \$20,000,000,000 is the sum of money which the Secretary of the Treasury is hopeful he may find some means of reaching by way of compulsory savings and other means. It is the overwhelming danger in the picture.

I am advised by those in charge of price control that, although they feel that the enactment of the proposed legislation, would give the President authority to maintain prices of goods substantially as they are, they desire it to be known that, in view of this pent-up purchasing power, it will not be possible to stop all price rises now. There is no question in my mind, from some study on the subject, that prices must be permitted to go a bit higher because of the necessities of the situation.

I hope the discretion in that respect will be left with the President of the United States. In the pending measure we have provided certain guideposts and directions; but there is no doubt that the farm labor situation, and possibly the situation with respect to labor in some other fields in the economic picture, will require some readjustment of prices. I should not want the country to believe that either the Congress or the administration was satisfied that we can now stabilize prices absolutely at their present level. I am reliably informed that it is hoped with some confidence by those in charge or who will be in charge of the administration of the measure, that rises of from 3 percent to 5 percent should be the limit. If we can do that we shall have accomplished a marvelous work in meeting the threatened rise of prices throughout the United States. I shall not go into detail as to how much food costs have risen, or how much costs have risen with respect to uncontrolled prices.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from Oregon.

Mr. McNARY. I hesitate to interrupt the remarks of the able Senator unless it is with his consent.

I was attracted by the statement he made that, in his opinion, prices would not increase more than 5 percent. In what length of time would that be?

Mr. BROWN. I want the Senator to be sure to say that I said they hoped they would not increase more than from 3 to 5 percent, and that that hope was based upon some confidence.

Mr. McNARY. Yes; and let us confine the expression to the word "hope" only, rather than to anything final.

Mr. BROWN. Yes.

Mr. McNARY. How long may that hope continue?

Mr. BROWN. At the time when the price-control bill was passed it was my judgment that rises could be kept within a limit of approximately from 1 to 1½

percent a month, and that was the judgment of the senior Senator from Ohio [Mr. TAFT], who agreed with me in that respect. Based upon my own knowledge, and not quoting the Price Administration in that respect, I should think that if we maintained prices at levels not to exceed 5 percent of present levels for the ensuing year—let us say until December 1943—that would be an achievement. I should not want to predict beyond that time.

Mr. McNARY. Precisely—a very great achievement.

Let me ask a further question. Does that increase of 5 percent as a maximum include increases in farm prices and wages?

Mr. BROWN. We are talking about the cost of living.

Mr. McNARY. Yes; I am, too.

Mr. BROWN. That is the figure, and it seems to me that it covers both farm prices and wages.

Mr. McNARY. So the 5 percent increase as a prophecy includes both farm prices and wages, does it?

Mr. BROWN. Yes; I think so—their effect on the cost of living.

Mr. President, with that brief explanation of the fundamental economics of the situation, I was about to give a statement of the over-all difference between controlled prices and uncontrolled prices. I know that will be the subject of considerable argument later in the debate; but I give the facts as they are presented to us by the Office of Price Administration. Controlled prices from May 15 to August 15 have been held down practically at a level; they have not increased; in fact, there has been a decrease of three-tenths of 1 percent. In the case of uncontrolled food prices—and let it be admitted here that the fact is that they are not controlled not entirely due to a lack of legal authority to control prices—it has been necessary to go beyond the floor, so-called, in some instances. The increase has been substantially 10 percent from May 15 to August 15. That shows the trend, and it is undoubtedly the reason why it is felt by those in charge of the program that we should eliminate the limitations upon the power of the Price Administrator contained in section 3 of the Price Control Act.

Mr. AIKEN. Mr. President—
The ACTING PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Vermont?

Mr. BROWN. I yield.

Mr. AIKEN. In regard to the increase in the price of uncontrolled products, is it not true that the increase has been due partly to the deliberate bidding up of prices by the Federal Government itself in order to secure production? Is it not particularly true in the case of dairy products that the Federal Government deliberately boosted the price of butter because it was not getting enough at the regular prices?

Mr. BROWN. Yes; I assume that may be true.

Mr. AIKEN. That is not due to any lack of authority to control?

Mr. BROWN. Perhaps not. The price control law contains in its directions to the Price Administrator and to the Sec-

retary of Agriculture to permit prices to go up, in fact, to increase prices if it is necessary in order to encourage production, which is, of course, an indication of what policy may perhaps have to be followed on the farm-labor question.

Mr. President, with that brief statement of the economics, I desire to go through the joint resolution and explain its provisions.

Mr. LUCAS. Mr. President—

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Illinois?

Mr. BROWN. I yield to the Senator from Illinois.

Mr. LUCAS. I should like to ask the Senator if he has a chart or table which shows the commodities which are controlled and those which are uncontrolled and the total amount in value of the con-

trolled and the uncontrolled commodities?

Mr. BROWN. My recollection is that there is not a chart but the figures are contained on page 18 and pages 21 and 22 of the hearings. If that is not correct, some of the experts in the Price Administration, who are here, can shortly give the Senator from Illinois the information.

Mr. LUCAS. Will the Senator revise his remarks at the proper time to see that the figures are put in the RECORD?

Mr. BROWN. I think the table on page 18 of the hearings may give the Senator the information he desires, and I ask that it be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD as follows:

Minimum price ceilings for selected agricultural commodities

Commodity and unit	Actual price, Aug. 15, 1939	Actual price, Aug. 15, 1942	Parity price, Aug. 15, 1942	Minimum price ceilings ¹			Percent increase, August 1939 to August 1942	Percent which actual price would have to increase to reach	
				110 percent of parity price, Aug. 15, 1932	Average price, July 1919 to June 1929	Actual price, Dec. 15, 1941		Ceiling under present act	Parity price
Rice, per bushel (cents).....	58.9	162.9	123.6	136.0	126.0	143.9	176.6	-11.7	-24.1
Wheat, per bushel (cents).....	54.5	98.4	134.4	147.8	132.5	102.2	75.0	54.9	40.9
Corn, per bushel (cents).....	45.7	83.4	97.6	107.4	88.9	66.9	82.5	28.8	17.0
Oats, per bushel (cents).....	25.4	42.6	60.6	66.7	47.4	45.2	67.7	56.6	42.3
Barley, per bushel (cents).....	34.5	56.7	94.1	103.5	69.3	56.1	64.3	82.5	66.0
Rye, per bushel (cents).....	34.2	49.2	109.4	120.3	94.7	57.8	43.9	144.5	122.4
Flaxseed, per bushel (dollars).....	1.35	2.26	2.57	2.83	2.34	1.78	67.4	25.2	13.7
Cotton, per pound (cents).....	8.70	18.03	18.85	20.74	21.47	16.23	107.2	19.1	4.5
Potatoes, per bushel (cents).....	69.1	115.4	108.1	118.9	124.1	92.7	67.0	7.5	-6.3
Sweetpotatoes, per bushel (cents).....	50.7	137.3	133.5	146.8	134.4	86.6	51.4	6.9	-2.8
Hay, per ton (dollars).....	6.77	8.89	18.04	19.84	13.33	9.43	31.3	123.2	102.9
Peanuts, per pound (cents).....	3.39	5.99	7.30	8.03	5.83	4.79	76.7	34.1	21.9
Apples, per bushel (dollars).....	.66	1.16	1.46	1.61	1.46	1.09	75.8	38.8	25.9
Hogs, per 100 pounds (dollars).....	5.30	14.13	11.05	12.16	9.77	10.32	166.6	-14.0	-21.8
Beef cattle, per 100 pounds (dollars).....	6.74	11.30	8.24	9.06	7.18	9.34	67.7	-17.3	-27.1
Veal calves, per 100 pounds (dollars).....	8.08	12.91	10.26	11.29	9.56	11.18	59.8	-12.5	-20.5
Lambs, per 100 pounds (dollars).....	7.21	12.07	8.94	9.83	11.12	10.13	67.4	-7.9	-25.9
Butterfat, per pound (cents) ²	22.4	40.6	38.0	41.8	44.0	36.0	81.3	8.4	-6.4
Chickens, live, per pound (cents).....	13.0	19.6	17.3	19.0	21.1	15.8	50.8	7.7	-11.7
Turkeys, live, per pound (cents).....	14.3	19.9	21.9	24.1	28.8	20.9	39.2	21.1	10.1
Eggs, per dozen (cents) ²	17.5	32.2	31.7	34.9	33.2	34.1	84.0	8.4	-1.6
Wool, per pound (cents).....	22.0	39.4	27.8	30.6	34.1	37.1	79.1	-5.8	-29.5
Beans, per 100 pounds (dollars).....	2.63	4.45	-5.12	5.63	6.77	4.93	69.2	29.7	15.1
Cottonseed, per ton (dollars).....	16.24	44.04	34.28	37.71	36.17	44.65	171.2	14.4	-22.2

¹ Minimum price ceiling in italics.

² Seasonally adjusted.

³ The minimum ceiling is the approximated price on Oct. 1, 1941, which was 50.36.

Source: U. S. Department of Agriculture.

Mr. BROWN. Mr. President, if Senators care to follow the joint resolution, I will call attention to its main provisions.

Section 1 authorizes and directs that a general order stabilizing prices and wages as of their level on September 15, 1942, shall be issued by November 1, 1942. In order to be fair to both sides to the controversy in regard to wages and farm prices the original contemplation of the proposed legislation was, that the order of stabilization should be made contemporaneously or simultaneously, as some Senators indicated. It was felt by the committee that that should be done in a general way, but that that might be difficult for the President, relying upon the Price Administration for a food control order and upon the National War Labor Board and the Department of Labor and other agencies for a wage control order, to do so. Indeed it might not be desir-

able to have them issued upon the same day. So, after some discussion in the committee, we decided to name a nearby date as a date before which both orders would have to be issued, without requiring that they be issued simultaneously. It may be of interest to note that the date fixed is November 1, 1942.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Ohio?

Mr. BROWN. I yield.

Mr. TAFT. I understand the Senator construes this language to mean that action can be taken in separate orders. As I understood, it must be taken in one general order, which necessarily would cover both wages, prices, and salaries and would be simultaneous.

Mr. BROWN. I think that it should be done in that way, I will state to the Senator from Ohio.

Mr. TAFT. I agree entirely with the Senator. I merely wanted to be sure that that was his interpretation.

Mr. BROWN. I think it should be done in that way; but I do not want to require the administration to issue the orders simultaneously if it thinks it is desirable to make the order with respect to wages and prices on different days, so long as it is done by November 1, 1942. As a matter of practice, in my judgment, it will probably be done on the same day.

Mr. TAFT. My interpretation of the expression "a general order stabilizing prices, wages, and salaries," means one order. Obviously one order must be issued on one day. So that I should think, as the joint resolution is drawn, it would have the effect of requiring a simultaneous dealing with both subjects.

Mr. BROWN. For the reasons I have stated, I do not want to hold the President to the absolute issuance of an order covering both on exactly the same day; I think the general order might be in two sections, one on wages and one on prices; but I think we are talking about something that is not of great moment.

By explicit language directing that wages and prices shall be stabilized as of the September 15 level—and September 15 was adopted because the 15th day of the month is the day on which statistics are issued by various departments of the Government—we tried to make as plain as we could the legislative intent that that level shall be the level of the general order of stabilization.

It is perfectly obvious that exceptions will have to be made. When we did this, we were conscious of the demand on the part of many Senators that there should be a fixing of wages and prices so far as practicable by the Congress and not by the President. We think we have gone as far in that respect as it is reasonably possible to go. It would not be reasonable to freeze everybody's wages and freeze all prices at that level. We would be violating the principles of the Price Control Act, which allows increases in prices in order to encourage production; we would be violating the principle of the Little Steel formula, which is that there should be a general average of wage rates at a figure 15 percent above the level of January 1, 1941, and a tying of the relationship between the cost of living and wages under that formula. Certainly in a great many cases, as the President pointed out, wage contracts and agreements are in existence between employer and employee fixed, we will say, upon the level of wages of January 1, 1940, or any other date between then and now, which did not reflect the increase in the cost of living; and it would be unjust and unfair when other wage increases have been permitted to prevent further consideration by the President of the adjustment of such wages up to the general level laid down by the National War Labor Board. Numerous instances could be given of similar injustices.

Mr. VANDENBERG. Mr. President, will my colleague yield?

Mr. BROWN. I yield.

Mr. VANDENBERG. I should like to ask for an interpretation at this point of the language at the top of page 2, covering the authority to make the adjustments. It seems to me it is a rather strange discrimination when the President apparently can make adjustments with respect to prices, wages, and salaries to the extent that he finds necessary to correct gross inequities, but in the case of increases in these items he must also find that they are necessary to aid in the effective prosecution of the war. My question is, Does this mean that the President can make adjustments with respect to prices, wages, and salaries, as quoted in the first three lines, solely for the purpose of correcting inequities, whatever they may be, and regardless of their effect on the prosecution of the war?

Mr. BROWN. I will say to the Senator that his colleague accepted that amendment, proposed by the Republican members of the committee, with some reluctance. I was anxious to place a period after the words "gross inequities," or, if we included the phrase "to aid in the effective prosecution of the war," to let it apply to both increases and decreases. That was the idea of the junior Senator from Michigan, who was the author of the bill with the Senator from New York [Mr. WAGNER]; but I was persuaded by the Republicans on the committee to adopt this formula.

Mr. VANDENBERG. I am sitting over here on the Democratic side this afternoon, and I will join my colleague in his view on the subject. I do not think this should be allowed to stand as it is, because if this language means anything at all as it is written today—and I do not see how it could come from the sources the Senator indicates, under the circumstances—it means that the President would have a right to adjust all prices, wages, and salaries in this country solely for the purpose of correcting gross inequities, which means for social-reform purposes, if he desires, regardless of any effect on the conduct of the war. Is not that true? Could he not, under that language, reduce all incomes to \$25,000 by Executive order?

Mr. BROWN. I desire to go into that subject later, but it is my judgment that the authority is not contained in a bill which stabilizes salaries as of September 15, 1942.

I will say to the Senator that the representatives of the two large organized labor organizations agreed with that view in the committee. There is subsequently provided in the joint resolution, in my judgment, authority to adjust prices and wages up or down, as will appear a little later during my statement of the contents of the measure. This is one case in which I find myself in agreement with the principle enunciated by my colleague, and it finds him and me joining in opposition to the proposition of the junior Senator from Connecticut [Mr. DANAHER], who proposed the amendment, and the Senator from Ohio [Mr. TAFT], who I see rising to his feet, who supported it.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. TAFT. Of course, the objection that was made to the original language was somewhat different from that suggested by the Senator from Michigan. The language read that "to the extent that he finds necessary to correct gross inequities or to aid in the effective prosecution of the war." Once we insert the phrase "to aid in the effective prosecution of the war" we open the door, and the sky is the limit. The language is so broad that, in my opinion, it means nothing. If the President could make adjustments where he found it necessary "to correct gross inequities or to aid in the effective prosecution of the war," it would mean that he could reduce prices and wages all he desired just to aid in the effective prosecution of the war. If the word "and" is used, providing that he shall find the step necessary for both reasons, that is, that it will correct gross inequities, and also that it will aid in the effective prosecution of the war, I see no objection to that, if it is thought desirable.

Mr. VANDENBERG. Then everyone would be satisfied, so far as this three-ring circus is concerned, if we took out the words "in the case of increases." Am I correct?

Mr. TAFT. If we changed the word "or" to "and."

Mr. BROWN. That was the point which the junior Senator from Connecticut desired to make perfectly plain—that the President, to aid in the effective prosecution of the war, could let things go up, but he could not let them go down for that purpose, even if it were necessary.

Mr. TAFT. I have serious doubt of the need of granting the President power to reduce at all, but certainly my feeling is that if he could reduce at all there should be placed on that power every reasonable restriction.

Mr. BROWN. I am perfectly willing to give some further consideration to that point because my colleague and I are in substantial agreement.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. AIKEN. I should like to ask the Senator from Michigan if he will explain at this time why the words "and other factors" were deleted from the measure.

Mr. BROWN. I shall be very happy to do that.

Mr. AIKEN. Why does the joint resolution restrict the President to regulating agriculture and labor alone?

Mr. BROWN. And salaries.

Mr. AIKEN. And exempt the other 50 percent of the costs which enter into consumer goods, where much of the saving in consumer costs could be made? I should like to know the reason for deleting these words, and who wanted that amendment made to the joint resolution.

Mr. OVERTON. Mr. President, will the Senator from Michigan yield before he leaves the matter he has been discussing?

Mr. BROWN. I should like to answer the Senator from Vermont.

Mr. OVERTON. I desired to ask the Senator a question with regard to the subject he was discussing with his colleague.

Mr. BROWN. Will not the Senator defer until I make a brief explanation to the Senator from Vermont?

Mr. OVERTON. Very well.

Mr. BROWN. As the joint resolution was originally introduced, the phrase "other factors" was included in it. The Office of Price Administration was desirous of including certain classes of services, and upon inquiry I found that, although they were intending to cover certain personal services, they did not intend to cover fees of doctors, lawyers, and so on, and so forth. I felt that the matter was too inconsequential to justify a distinction of that character.

It was also thought by the Office of Price Administration that there should be an over-all power in the President to put a top on rates charged by common carriers and other public utilities. The junior Senator from Michigan is in agreement with that view of the Office of Price Administration. However, we finally came to the conclusion that it would be best to confine the subject matter to the principal factors in the cost of living, that is, the seventy-five or seventy-six billion dollars in wages and salaries, out of a total of \$115,000,000,000, and farm prices, which is by far the next most important factor.

I know that the chairman of the committee, the Senator from New York [Mr. WAGNER], will sustain me in the statement of my view. I did not insist upon a vote. I call this matter to the particular attention of the senior Senator from Nebraska. It was my view that we should include in the joint resolution an over-all power in the President, which I think would be seldom exercised, to put a top on transportation charges and public-utility charges. Knowing that the Senator from Nebraska had in mind the offering of an amendment making such provision, I decided not to make an issue of it in a committee, which was getting along pretty well in bringing about general agreement on the part of all those interests which were represented around the table, but to leave that proposition for determination by the Senate, without an express indication of how the committee felt about it. That is why the words "and other factors" were stricken from the bill.

Mr. AIKEN. I thank the Senator.

Mr. OVERTON. Mr. President—

Mr. NORRIS. Mr. President, I should like to ask the Senator from Michigan a question about the matter which the Senator from Vermont brought up.

Mr. BROWN. I yield to the Senator from Nebraska.

Mr. NORRIS. I have had several conversations with the Senator, as he knows, about this particular matter, and I should like to ask him whether he believes the condition which I have been trying to prevent, by the amendment I have heretofore suggested, is completely met by striking out the words which the committee has now stricken out; that is "other factors."

Mr. BROWN. Other factors in the cost of living.

Mr. NORRIS. Does it say that?

Mr. BROWN. "Other factors affecting the cost of living." The Senator will find that in lines 6 and 7, on page 1.

Mr. NORRIS. The Senator will find it again on page 2, line 3. I should like to say to the Senator that I have just written at my desk, and sent to the clerk for printing, an amendment which proceeds on the theory that the committee amendment will be agreed to, but if the words "and other factors" include the power to prevent utility rates going up, either they should be retained in the joint resolution, or some other specific amendment should be added. The amendment I have asked to have printed, and which will be printed and on Senators' desks tomorrow, proposes at the end of line 6, page 2, to add a proviso, reading:

Provided, That no public utility rates of a common carrier or other public utility on September 15, 1942, shall be increased without the consent of the President.

It seems to me such an amendment would have the same effect as the language stricken out by the committee. That amendment would probably be unnecessary if the Senate does not agree to the committee amendment striking out the words "and other factors", and provided also that the phrase "and other factors" is sufficiently broad.

I offer the amendment because in the act setting up the Office of Price Administration we have left what seems to me to be a loophole. In other words, if we are going to prevent inflation, and do so by controlling various factors which enter into the cost of living, we have to control all of them, or the effort will result in failure. That is the reason we ought to include wages and cost of farm operations, and we ought to include, also, all public-utility rates, because everyone knows that they enter very materially into the cost of living. Yet under the existing law as it now stands, the Price Administrator has no jurisdiction whatever over public-utility rates. If requested utility rate increases are granted the price of water, telephone rates, the price of electric light and of gas, and streetcar fares in various cities will go up. In dozens of cities utilities are now asking for increased rates. Unless we take that matter into consideration, and control utilities also, then any price which is fixed by the Administrator, or, if the measure before us is passed, by the President, will simply not fit into the scheme, and the whole matter will be knocked into a cocked hat. I think we will have to give to whoever is going to handle this matter the right to prevent public-utility rates from going up, because increase in utility rates will mean a rapid increase in the cost of living.

Mr. BROWN. Mr. President, I will say to the Senator from Nebraska that I am in general agreement with his view, and I think his amendment is better than the original language of the measure. I wish to point out, however, and this is probably what is in the mind of the Senator from Ohio [Mr. TAFT] who is on his feet, that public-utility rates are at the present time covered and controlled pretty largely by various public-service commissions, while there is a vast field in the wage structure that is not covered, and there is a considerable field, particularly in the

field of the price of food, that is not covered. The Interstate Commerce Commission, of course, has complete jurisdiction over railroad rates. The Federal Power Commission has considerable authority in its field, and I think practically all the 48 States—

Mr. NORRIS. And the one thousand municipalities.

Mr. BROWN. Yes. I think practically every one of the 48 States has control. I understand there are States, however, where telephone rates, for example, are not controlled by any public-service commission, and the reason why I, so far as I am individually concerned, will support the amendment of the Senator from Nebraska, is to cover those cases where there is no present control, or the present control is inadequate, and to establish a general over-all policy of no rises beyond September 15, 1942, except in the case of gross inequities, as the phrase is in the bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. TAFT. Those who objected to the phrase "other factors," had no particular matter in view, but objected to the generality of the language, which may include everything one can think of, and many things one cannot think of. There is hardly a thing in the United States which does not affect in some way the cost of living, and I hope the Senator from Nebraska will pursue his policy of offering particular amendments on particular subjects.

For instance, on the question of railroad rates, if it should be proposed to give the President power to supersede the Interstate Commerce Commission and go into the business of regulating all railroad rates, I think I should oppose such a proposal. On the other hand, if it should be proposed that in that case the Interstate Commerce Commission should not act to increase railroad rates without the President's approval, I think I would support such a proposal. As I heard the amendment of the Senator from Nebraska, I understood it to read that no public-utility rates should be increased without approval of the President. On the other hand, it seems to me unwise, where these things are already regulated, to give the President power to step in and decide the whole thing, and reduce, under provisions of this measure, various rates in different places. I think that would be a mistake.

As I say, fundamentally, I think that those who wanted this language taken out were not objecting to any particular matter, but felt that each thing should stand on its own feet, and, if we were to deal with it, we ought to deal with it specifically, and not in general language which could extend to everything one can think of, such as, for example, insurance and rates of interest. There is hardly a single transaction of any kind that would not fall under this provision. I may say that the use of the word "prices" used generally here, and not tied down to the definition of the Price Control Act, may well cover utility rates, the price of electricity, the price of gas, and the price of

water. I do not know. But I see no objection to the—

Mr. NORRIS. I think they ought to be covered. That is all I care for; that they be covered.

Mr. BROWN. Mr. President, in line with what the Senator from Nebraska has said, I may add that it was felt by the committee that the words "and other factors" affecting the cost of living were pretty broad, and would bring in the services of a great many people, whose effect upon the cost of living is inconsequential. Therefore, I think the amendment which the Senator from Nebraska proposes is better than the committee amendment to cover the rather large field of public-utility rates.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. AIKEN. Since my question seems to have precipitated the discussion of public utility rates, I should like to explain that that was not the thought behind my question at all. The measure as reported by the committee proposes to regulate labor and farm prices alone, whereas 50 percent of the cost entering into consumer goods lies in the distribution and the merchandising, rather than in the labor and raw material costs. So far as I can see, with the words "and other factors" stricken out, there is no control over the distribution costs. For instance, the New York City consumer of milk now pays, I believe, 18 cents for a quart of milk which brings the producer somewhere between 4½ and 5 cents. That 4½ to 5 cents would be controlled. Yet the 13-cent spread goes uncontrolled under this measure. It seems to me that if its purpose is to control the cost of living, those factors ought to be considered, and language dealing with them should be placed somewhere in the bill. I do not know just what the right wording would be.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. TAFT. Those factors are in the bill. The Price Administrator can tell milk dealers the price at which retail milk can be delivered.

Mr. AIKEN. I will say to the Senator from Ohio that I do not question that, but it is the method of distribution which makes milk so expensive at the present time. When there are six milk wagons covering one street in the morning the customer is made to pay for that method of delivery, or it will be taken out of the farmer. When deliveries of milk are ordered to be made every other day, and the milk wagon drivers say, "Yes, we will make deliveries every other day, but you are not going to lay off any of us, or reduce our pay," that is a factor which ought to be controlled.

Mr. TAFT. Mr. President, the matter of wages is covered in the measure. If there are too many milk wagons, the distributors can be ordered to get rid of some of them; otherwise they will go broke. It seems to me the matter of distribution is covered in the measure.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. LUCAS. I call the Senator's attention to the language on page 1, lines 7 and 8, as follows:

Except as otherwise provided in this joint resolution, such stabilization shall, so far as practicable, be on the basis of the levels which existed on September 15, 1942.

Am I to understand that that language is to be liberally construed to the end that the President, for instance, could go back of September 15—a number of days or months in order to fix a salary or a wage or a price?

Mr. BROWN. Yes; in section 3 of the bill specific reference is made to that proposition. If the Senator will permit me to explain section 2 briefly, then we will go into section 3, which I think is of considerable importance.

Section 2 merely authorizes the President to use existing agencies in carrying out the provisions of this measure, and contains a specific power to suspend, as may be necessary, section 3 of the price-control measure insofar as it relates to the four ceilings, which were placed in the original price-control bill—110 percent of parity, the 1919 to 1929 period, the October 1, 1941, or December 15, 1941, limitations.

The President may suspend those limitations, which are in reality the substance of the measure insofar as it relates to agriculture.

Section 3, to which the Senator from Illinois alludes, contains the limitation on the power of the President with respect to farm prices. He may in no event go below parity. I wish to put a period right there on that sentence. In no event may he go below parity in fixing prices.

Second, he may not go below the market price received by producers—that, generally speaking, means the farmers—for commodities between January and September 15 of this year, with the right in the Secretary to adjust for grade, location, and seasonal differences. I wish to make plain to the Senator that the second limitation is subject to the "gross inequity" exception. Clause 1, parity, is not subject to the gross inequity provision. Clause 2 is. If a price is grossly inequitable the President will not be required to follow strictly the injunction in clause 2 on page 3.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. LUCAS. The Senator spoke of the market price. I notice that the word "market" is stricken out.

Mr. BROWN. I misspoke myself. I meant the highest price received by producers.

Mr. LUCAS. Does that mean the highest prices in the various communities?

Mr. BROWN. Adjusted for grade, location, and seasonal differentials. I believe that that formula is very well understood in the Department of Agriculture. I know it is very well understood by the Senator from Alabama [Mr. BANKHEAD], who is interested in that question. That phrase is in practically all legislation relating to this subject matter.

The subsequent part of section 3 merely relates the processed article to the raw commodity.

With respect to the language on page 4, lines 3 to 13, I should prefer to leave that for later discussion, because it is the committee's compromise of the difficult and vexing question of farm labor. That language was written by the senior Senator from Wyoming [Mr. O'MAHONEY] as his judgment of a fair compromise on the question of farm labor, and the committee adopted it just as he wrote it. I believe consideration of it should be deferred until we discuss the amendment which is to be offered by the Senator from Oklahoma [Mr. THOMAS].

Section 4 applies, as nearly as practical, the same limitations on the President with respect to wages and salaries as are contained in section 3 with respect to farm prices. In substance, it preserves for labor the provisions of the Fair Labor Standards Act relating to minimum wages, hours, and so forth and the right of collective bargaining contained in the National Labor Relations Act, and provides that the President may not reduce wages below the wages paid, at the highest level, between January 1 and September 15, 1942, unless he finds that those wages are grossly inequitable. We selected the phrase "gross inequities" to control the action of the President and confine it to those cases in which great injustice is done, and in which a gross difference between one wage and another exists.

Section 5 fills in the gap which now exists with respect to wage controls. The Senator from Ohio [Mr. TART] and myself have on numerous occasions—usually in his speeches and my interruptions of his speeches—called the attention of the country to the fact that there is a twilight zone where there is no authority on the part of the Government to control wages. That is in the field in which employer and employee themselves agree on a wage schedule. Under existing law, whenever a dispute arises the War Labor Board can take care of the situation. However, let us assume—and I believe such cases are very few in number—that some Government contractor should get together with his employees and mulct the Government by paying excessively high wages; and suppose that situation should escape the attention of the War Department, the Navy Department, and Mr. Nelson's department. Such a situation might result in wages which could not be controlled by any authority of law now existent. So we say that—

No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution.

The Senator from Georgia [Mr. GEORGE] might be interested in lines 10 to 15, on page 5, because they enter the field of taxation. The language provides that if wages are paid in contravention of section 5, they may be disregarded by the tax authorities of the United States in allowing deductions for wages paid. Similarly, excess wages will be disallowed as costs both by the procurement and price-control agencies of Government. Senators will realize that these are pretty strong penalties.

Subsection (b) makes all persons who violate the provisions of a regulation under this joint resolution subject to a fine

of not more than \$1,000. No imprisonment is provided.

Section 6 relates to the termination date, which is highly important. The over-all date is June 30, 1944, a year from next June. The custom of Congress in providing for termination by Presidential proclamation is also followed in the joint resolution; and, finally, there is a provision in the joint resolution to terminate it by concurrent resolution of the Congress. Some constitutional lawyers do not agree that we have such power, but the power is contained in a provision in the joint resolution. I believe everyone knows what that means; but I think I ought to say for the RECORD and for the press that if a majority of the Senate and of the House should adopt such a resolution, the act would be terminated. If that power is constitutional, we could terminate the act the day after it was enacted. I know that the Senator from Iowa differs with me on that proposition. I shall not enter into the constitutional argument. However, that power is contained in the joint resolution; and, of course, it has plenty of recent precedents in statutes which we have enacted.

Section 7 (a) extends the life of the Price Control Act for 1 year, from June 30, 1943, to June 30, 1944. So far as I recall, there was no objection whatsoever in the committee, and I have heard no objection on the part of any Member of Congress to such extension. The original termination in the Price Control Act probably allowed too short a period.

Subsections (b) and (c) are formal only and for purposes of administration. They confirm and relate to existing price control regulations and orders. I should add that in my judgment, and I feel sure that the committee concurs, the same result would obtain even without these sections. Existing regulations and orders would remain unaffected by this resolution, and future regulations and orders, pursuant to this resolution, will be subject to the standards, specialized procedures for administrative and judicial review, and penalties of the Price Control Act.

With respect to sections 8 and 9, I do not desire now to make a statement upon that subject matter, except to state what the sections contain.

Sections 8 and 9 contain a mandatory direction to the Commodity Credit Corporation to increase loans on basic commodities and commodities which are the subject of encouragement by the Secretary of Agriculture for war production. Sections 8 and 9 would increase the authority under existing law by 5 percent, from 85 to 90 percent. In the committee, as well as in the Senate, that is a very controversial matter, and will doubtless be thoroughly discussed subsequently on the floor of the Senate.

Section 10 is of no major importance. It merely provides that wages and salaries shall include bonuses, which are ordinarily paid in December, during the Christmas season, when adjustments of wages are made on the basis of profits. Pensions are often granted, and gifts of insurance are often made. That custom or practice is approved, and the President is directed to take such additional payments into consideration in determining the level of the September 15,

1942, wage. Personal services of course mean those services ordinarily rendered by an employee to his employer.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from Texas.

Mr. CONNALLY. I do not wish to interrupt the Senator. He stated that he wished to proceed without interruption.

Mr. BROWN. I will say to the Senator that that prohibition no longer obtains.

Mr. CONNALLY. Does the Senator believe that under the terms of the joint resolution the President could change the rate of salary of a State or Federal official, whose salary is fixed by law?

Mr. BROWN. No; I believe not.

Mr. CONNALLY. Neither upward nor downward?

Mr. BROWN. That is correct.

Mr. CONNALLY. I believe that is the correct view. Salaries which Congress has fixed by law certainly should remain unchanged until the Congress itself changes them.

Mr. BROWN. The joint resolution contains no authority to change such salaries.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. TAFT. Is it not fair to say that no statutes can be set aside under section 2 of the bill, in lines 18 and 20 on page 2?

The language reads:

The President * * * may not under the authority of this joint resolution suspend any other law or part thereof.

Consequently the provision is not a general one relative to salaries; it applies to all congressional action.

Mr. CONNALLY. That may be.

Mr. BROWN. Let me say to the Senator from Texas that I think we have taken care of the matter to which he called my attention in connection with a letter received from a constituent of his in Texas. In other words, he moved the somewhat slow and laborious machinery of legislation sufficiently to get his ideas written into the measure.

Mr. CONNALLY. I thank the Senator.

Mr. BROWN. Mr. President, that is all I have to say on the subject matter of the joint resolution unless some other Senator desires to ask me some further question.

Mr. GILLETTE. Mr. President, I should like to ask a question, if the Senator will yield to me.

Mr. BROWN. I yield.

Mr. GILLETTE. The penalty provision, on page 5, of course, is limited to the violation of regulations relative to wages and salaries. Is it the thought of the framers of the pending legislation that the Price Control Act now on the statute books carries a penalty provision sufficient to meet other violations of regulations?

Mr. BROWN. I think it does. It was intended to, and the language is plain. In addition, as the Senator well knows, there is available in the United States Code a rather severe penalty which takes care of any violations of any acts of Con-

gress for the violation of which no punishment is otherwise provided.

Mr. GILLETTE. Mr. President, if the Senator will yield further, let me say that it was because of the severity of the provision to which the Senator has referred that I wondered about the matter.

Mr. BROWN. Of course, the penalties for violations of price-control regulations are rather well worked out and are available under the pending joint resolution.

Mr. President, I shall conclude by saying that it is my judgment that the joint resolution would give the President substantially the authority for which he asked in his message; and if the resolution be agreed to substantially as drafted, I think it will give the administrative authorities all the legal authority which can be given them or which they desire in order to do the job as they want to do it.

I conclude with a word of caution to the effect that this is not a matter in which legal authority can do anything more than assist in solving the tremendous problem of the rising costs of living.

Mr. DAVIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Michigan yield to the Senator from Pennsylvania?

Mr. BROWN. I yield.

Mr. DAVIS. I was out of the Chamber for a part of the time during which the able Senator was presenting his statement on the joint resolution. I should like to ask him whether there is to be a ceiling on the prices of all commodities, on farm prices, and on wages and salaries.

Mr. BROWN. Yes; the joint resolution very generally would stabilize prices and wages as they existed on September 15, 1942, with authority in the President of the United States to correct "gross inequities," as we say—glaring injustices in either prices or wages—and with power, where it is necessary to the effective prosecution of the war, to let both wages and prices go up.

Mr. DAVIS. I should like to have the opinion of the Senator regarding the use of the words "gross inequities."

Mr. BROWN. We strove to find a phrase which would enable the President to stick as closely as reasonably possible to the level of September 15, 1942. We wanted to confine him to allowing increases or decreases only in those cases in which great injustice would otherwise be done. I shall give the Senator one example which we had in mind, an example which I previously gave to the Senate: Let us suppose that a contract between an employer and his employees had been made in 1939 to cover a 4-year period, and that despite the rise in the cost of living the laboring people have stood by their contract and have continued to work at the wage level as of 1939. In that kind of a case, if that contract extended over September 15, 1942, we think that the President should have the right to correct that inequity, because those wage workers are entitled to higher wages. They based their wages on the

1939 cost of living, and they are entitled to base their wages on the cost of living as of September 15, 1942.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. LANGER. What the Senator has said is true insofar as organized labor is concerned; but what about unorganized labor?

Mr. BROWN. The President would have the same power to take care of unorganized labor. The committee hearings and the committee reports very clearly set forth that point. Let me say to the Senator that in the case of the vast number of people whose wages lag behind, let us say, the Little Steel formula, they will have the right to ask that their wages be brought up to that general level.

Mr. LANGER. Let us take for example a man who works in the dairy of a North Dakota farmer or a man who works in the harvest field. Is it the purpose to let the President raise his wages also?

Mr. BROWN. Yes; I take it that we shall quite fully discuss that point when the amendment offered by the Senator from Oklahoma is under consideration. We hope that Congress will adopt the plan that the President shall, in fixing the prices of farm products, take into consideration the increased cost of farm labor to the farmer, and that he shall establish his ceilings upon farm labor so as to prevent any gross inequity from being done to the farmer.

Mr. LANGER. What about farm machinery?

Mr. BROWN. We did not cover that subject. I presume that the phrase "other costs," which is contained in what I call the O'Mahoney amendment, would cover the matter of farm machinery. We say, "farm labor and other costs." The President is directed and authorized to take those matters into consideration.

I do not want to argue that question now, because undoubtedly my good friend the senior Senator from South Carolina and his committee will bring before the Senate an issue of that kind, and at that time we shall go more fully into the matter.

Mr. JOHNSON of California. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. JOHNSON of California. What does the Senator mean by the term "gross inequities"?

Mr. BROWN. I explained that to the Senator from Pennsylvania by saying that I should say a gross inequity existed when a wage agreement had been made some 3 or 4 years ago and had been adhered to by labor and management, although the cost of living had increased during the intervening period, as we well know it has. Under such circumstances the wage earners should not be held to the 1939 level of their wages.

Mr. JOHNSON of California. I can readily understand that, and the justice of it appeals to me. However, what is the Senator's plan with respect to the farmer?

Mr. BROWN. Let me say—and I know that my friend the senior Senator from South Carolina will point this out—

that if the farmer is faced with a large increase in the cost of farm labor to him, I think the President in fixing agricultural prices must take into consideration such an increase. I think the President must do so first, because it is just, for otherwise it would be grossly inequitable—and we provide for that in the O'Mahoney amendment—and, second, because it is essential to the production of agricultural products, and, of course, their production is most essential to the successful prosecution of the war. I think that is the kind of inequity which would give the President the right to let farm prices go up in that instance, and I think he would be required to let them go up in that instance. I know that my good friend the senior Senator from South Carolina will say, "Well, we would be satisfied if we were administering it, but we shall not be satisfied if the President is administering it."

Mr. SMITH. Mr. President, if the Senator will yield, since I have been referred to, let me say that I think it is the duty of Congress definitely to state limitations, and not to leave the matter to the discretion and judgment of outside sources.

Mr. BROWN. I know that is the view of the Senator. However, I believe we have established fairly good guideposts in the pending measure.

Mr. JOHNSON of California. Mr. President, will the Senator yield further?

Mr. BROWN. I yield.

Mr. JOHNSON of California. Does the Senator think he provides a guidepost regarding the interpretation of the phrase "gross inequities" when he leaves the determination of the matter solely to the discretion of one man?

Mr. BROWN. I find it difficult to answer that question. The President is the only man to whom we can leave it. Certainly we cannot sit here as a court or an administrative body and let wages and prices go up or down; and certainly I think it would be illogical to write a further, definite, inflexible, unmovable rule.

Mr. JOHNSON of California. That may be.

Mr. BROWN. I think we must leave it to the President and to those to whom he may delegate it.

Mr. JOHNSON of California. The Senator proposes to leave it to the Administrator, as he says. The Administrator would have the uncurbed discretion to do as he might see fit.

Mr. BROWN. I do not agree with the Senator.

Mr. JOHNSON of California. Why not?

Mr. BROWN. Because the Administrator would be required to maintain farm prices as of their level of September 15, 1942, or the highest point which they reached from January 1, 1942, to September 15, 1942—which is a little helpful to cotton, let me say, and was put in, in part, for that reason. That is the Administrator's general standard. If he finds that in order effectively to prosecute the war it is necessary to let farm prices go up, or if he finds that the farm-labor problem, which is a tremendous problem, and I admit that, or other farm costs

make it impossible for the farmer to produce his goods at a reasonable margin of profit, then, in my judgment, he is not merely authorized but is required to take that additional cost into consideration.

Mr. JOHNSON of California. The language is transformed so as to provide a distinct requirement, when there is no such requirement in it. Is not that true?

Mr. BROWN. I do not like to argue the question on the assumption that the President is going to be unfair.

Mr. JOHNSON of California. Oh, no; there is no use of the Senator and I arguing, because he has talked for a long time today, and, doubtless, he is tired and weary of the whole subject.

Mr. BROWN. No. I always enjoy any ideas the Senator from California presents.

Mr. JOHNSON of California. I have no ideas on the subject, but this language certainly is peculiar. It is such as would leave it in one man's hands to determine what is meant by the requirement.

Mr. BROWN. The joint resolution reads:

That modifications shall be made in maximum prices established for any agricultural commodity * * * in any case in which it appears that "such modification is necessary to increase the production of such commodity for war purposes, or in which it is satisfactorily shown that by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities."

The President is authorized to make such modifications. In such a case, if the facts are presented to a responsible Government official and, if in his judgment those facts exist, then he has no discretion. He has discretion to determine whether the facts exist.

Mr. JOHNSON of California. But the proposed law gives him discretion in the first instance.

Mr. BROWN. No; the Senator is wrong about that. If the facts exist then he shall make the modification.

Mr. JOHNSON of California. But he is to determine.

Mr. BROWN. I do not know how we could operate a democracy in any other way.

Mr. JOHNSON of California. We could certainly operate a democracy in some other way than to permit one man to determine questions of great importance to a large section of the community.

Mr. BROWN. I think it is utterly impossible for Congress to lay down any other rule.

Mr. JOHNSON of California. I am not speaking of Congress for the moment, but it must be possible to prescribe some rule of action which may be fulfilled, and that such rule of action, when it is fulfilled, will constitute a standard and guide. To say that one man shall determine the question involved, that he shall determine whether inequity exists, and the like, puts everything in the hands of one man.

Mr. BROWN. How would my friend from California do it?

Mr. JOHNSON of California. I do not know; I am not pretending to say how I

would do it. I would do it in a way different; there is no doubt about that.

Mr. BROWN. I do not doubt the Senator's statement.

I have asked the same question several times in the Banking and Currency Committee of some who took the view of the Senator from California, and, while the junior Senator from Connecticut [Mr. DANAHY] has an amendment he intends to offer, this is the best thought that comes from a great majority on both sides in the Banking and Currency Committee, Republicans and Democrats, majority and minority alike, upon the subject matter.

Mr. JOHNSON of California. It seems to me the question might just as well be left in abeyance as to say that when the President thinks a gross inequity will result he may do as he sees fit.

Mr. BROWN. No; I think the term provides a sufficiently definite standard.

Mr. JOHNSON of California. He may go in such direction as he sees fit.

Mr. BROWN. That is all I have to say upon the subject.

Mr. JOHNSON of California. I beg the Senator's pardon for bothering him.

Mr. BROWN. The Senator has not bothered me at all.

Mr. JOHNSON of California. But this particular language in this portion of the joint resolution struck me as being so peculiar that I could not follow it; that is all.

Mr. THOMAS of Oklahoma. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oklahoma?

Mr. BROWN. I yield.

Mr. THOMAS of Oklahoma. Before the Senator from Michigan takes his seat, let me say that I have offered an amendment to the paragraph on page 4, at the end of line 13. I have an engagement of several days standing which I must fill immediately. I do not expect to be absent from the Senate Chamber more than perhaps an hour or an hour and a half. I do not wish to be precluded from offering my amendment, so I ask the Senator from Michigan, in charge of the bill, if it will be agreeable to consider the other amendments first and then let my amendment wait until later, so that I will be sure to be present?

Mr. BROWN. The Senator's amendment has to do with his farm-labor parity amendment?

Mr. THOMAS of Oklahoma. Yes.

Mr. BROWN. So far as the Senator in charge of the bill is concerned, that is satisfactory to him.

The PRESIDING OFFICER. The Chair will state that an order has already been entered that committee amendments shall first be considered.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from North Dakota.

Mr. LANGER. The President must have figured out some way to carry out this act if it is passed. Is not that correct?

Mr. BROWN. Yes.

Mr. LANGER. I have offered an amendment asking that the President

transmit to this body a statement showing the method he will follow in fixing wages, salaries, and prices. Is there any objection to having such information sent in before the 1st of October?

Mr. BROWN. I am afraid, I will say to the Senator from North Dakota, that would be a very difficult way of legislating, to ask the President what he is going to do under certain powers granted him before he takes action. I do not think I could agree to such an amendment. I am sorry; but very definite guideposts are laid down in the joint resolution and limitations beyond which and below which the President may not go. I think that is the best we can do under the circumstances.

Mr. LANGER. Is it not true that under this joint resolution the President can have one board, for example, having to do with wages and another board having to do with prices?

Mr. BROWN. Yes; he could.

Mr. LANGER. Why should not the same board handle all such questions?

Mr. BROWN. That would require a new administrative set-up. The power is lodged in the President and undoubtedly would have to be cleared through his office. I should not want to attempt by legislation to create an over-all board.

The PRESIDING OFFICER. The clerk will state the first amendment reported by the committee.

The first amendment reported by the Committee on Banking and Currency was, on page 1, line 4, after the word "directed", to strike out "to stabilize" and insert "on or before November 1, 1942, to issue a general order stabilizing."

Mr. O'DANIEL. Mr. President, during June, July, and August of this year I traveled over the great State of Texas, visiting hundreds of towns and cities and visiting in the rural districts. I spoke to about 800,000 people personally, in addition to other thousands on the radio. I found that the thing uppermost in the minds of all classes was the winning of this terrible war. I found almost everybody back of the war effort to the last dollar, and the last man. I found amazement and downright resentment relative to the confusion and muddling of important domestic problems by some of our numerous Washington bureaucrats.

In addition to war worries, their next big worry is the fear of losing our American form of representative democracy. Recent events have increased their fears along this line.

I want to state plainly that it is my opinion that any basic change in our form of government should be accomplished only by the action of the majority of our citizens. Until such action by the people has been taken, I intend to continue to discharge my duties as a United States Senator in strict accordance with our Constitution. It may be that I do not have in my possession a late, revised copy of the Constitution of the United States, but, according to the copy which I do have, the authority to make laws still rests in the hands of the legislative department of government and not in the executive department of government.

I reiterate what I have often said before, Mr. President, that in the case of

war measures I intend to support our President 100 percent, whether I think he is right, or whether I think he is wrong, because the sovereign voters of our Nation elected him as our Commander in Chief and all the duties and responsibilities of that office rest exclusively upon his shoulders; but when it comes to domestic matters I intend to contend for what I believe to be right and for the best interest of our people. On both war measures and domestic measures I intend to uphold and defend the Constitution of the United States of America.

There may be cases where a fine line separates war measures from domestic measures. Some purely domestic measures may have some bearing on the conduct of the war. In fact, almost everything we now do has some bearing on the war, but that does not necessarily mean that every piece of legislation is a war measure. We still have before us for consideration the broad subject of price control. Price control bears some relation to the war, but I do not consider it exclusively a war measure. We could fight a foreign enemy whether we had price control or not.

When the question of price control legislation first came before the Senate, I expressed the opinion that I doubted the advisability of attempting to prevent inflation and maintain a fair level of prices by the method then proposed in the price control bill. I stated at that time that I would oppose the price-control bill unless provision were made to take out of the bill some features which it then contained, which, in my judgment, I believe to be absolutely unfair to the great agricultural classes of this Nation. I then expressed the opinion that if we undertook to control prices by vesting the power in some governmental bureau, we had as well recognize that before the thing was over, it would be necessary not only to control the prices of a few things, as then proposed, but to control the price of everything. I expressed the opinion then that to inaugurate a system of controlling prices through orders issued by some government bureau would result in building one of the largest departments the government had ever had, and that this department would absolutely hold the power of life and death over all American business.

Incidentally, it also has its political implications and dangers.

I expressed the opinion that if, instead of attempting to control prices by bureaucratic board orders, we would proceed to pass an adequate tax bill and allow the Government to recapture all excess earnings of corporations and all excess earnings of individuals, we need not have any grave fears, at least for the immediate future, insofar as inflation was concerned. But the Congress decided to proceed with the consideration of the price control bill, and I joined with others in an effort to so amend the bill as to take out of it some phases which I deemed most unfair to agriculture, and when this was accomplished, I voted for the price-control bill.

Another reason why I hesitated in the beginning to give my approval to the general idea of controlling prices by Gov-

ernment order was that I thought I realized then the vast undertaking which we had ahead of us if we sought to proceed along this route, and I also thought I knew something about the tremendous hazards which come to all lines of business and industry, including agriculture, when there is vested in one governmental agency the power to do all these things.

We today face the situation of Congress having been told by the President that it is absolutely necessary to immediately establish control over all agricultural prices in order that a period of ruinous inflation may be avoided. I am in full agreement with the idea that whenever the Government sets out on the task of controlling prices by Government order, it inevitably reaches the place where it must control all prices of both goods and services, and it must at the same time control the price of all labor that goes into these goods and services.

We are now told that the prices of all goods and services must be stabilized. We are told that a ceiling must be fixed on the prices of all agricultural commodities. It seems to me, however, simple justice requires that in any effort to stabilize prices the farmers, the cattle raisers, the sheep and goat raisers, the dairymen, poultry raisers, and those who produce fruits and vegetables, should be given a fair deal.

It seems to me that if our Government is to engage in picking out certain segments of our population and become the guardian of their personal welfare, it should, as time goes on, extend the service, with the idea in mind of eventually becoming the paternal guardian of the personal welfare of each and every segment of our population. Of course, such a policy pursued to its fullest extent would mean State socialism, and pursued only partially would mean class favoritism. I am opposed to such a course, followed either partially or fully. Nevertheless, we have already embarked on such a course. The question before us now is whether we shall expand our activities along this line. Let us see what has already happened.

All Senators are familiar with the fact that there has been set up by Executive order the War Labor Board, and I am sure they are reasonably familiar with most of the decisions which this Board has rendered. One thing stands out in the decision of this Board on the question of wages; that is, generally the stabilization process, when worked out according to their formula, has been, in many cases—in fact, in most cases—a process of wage increases. It is true that in a number of cases wage increases have been denied, or possibly better described as postponed, but in most cases they have been granted. It seems that they have adopted a somewhat general policy, first, of equalizing wages as between wage earners in different industries; second, of giving wage increases of about 15 percent, on the theory that the cost of living has advanced approximately that amount.

If we have adopted this policy toward wage earners, why not consider adopting the same policy toward farmers, inas-

much as they are in fact also wage earners? If we apply this theory to agriculture, then I think we must reach the basic conclusion that before we attempt by law to stabilize agricultural prices we must first equalize the earnings of those who are engaged in farming, livestock raising, and other agricultural pursuits with the earnings of other groups of our citizens who are engaged in other lines of business and industry.

Right here let us consider the relative position of farmers as compared to non-farmers. In giving this farm matter consideration, let us eliminate from the discussion the deceptive and misleading words "parity prices." I say "deceptive" and "misleading" advisedly, because the average citizen listening to a discussion of farm prices would naturally construe the phrase "10 percent parity price" to mean a fair price and would construe "110 percent parity price" to be excessive. The real fact is that if farmers receive "100 percent parity prices" their per capita income is approximately only 26 percent of the per capita income of non-farmers.

According to the United States Department of Agriculture, Bureau of Agricultural Economics, as published in July 1941, the per capita income of our farm and ranch population was \$183. This included all cash income, including Government payments. It made allowances for the value of the homes used by the farmers. It even charged the farmers with the value of that part of their own crops which they consumed. For the same period the per capita income of our nonfarm population was \$700. That means that the per capita income of farmers is approximately 26 percent of the per capita income of nonfarmers.

Surely, Mr. President, very few people would be so unreasonable as to contend that the prices of farm and ranch products should be frozen at a level which would sentence that important segment of our population to a life of drudgery from 10 to 12 hours per day at only approximately 26 percent of the per capita income of our nonfarm population. One hundred percent parity prices mean substantially such a sentence. Not only has our farm population been reduced to peonage existence, but, Mr. President, statistics published by the United States Department of Commerce show that during the past 20 years the equity owned by our farm population in their farms, ranches, stock, and equipment, has been reduced from \$68,000,000,000 to \$33,000,000,000. Thus we have the double ghastly calamity of seeing our farm population receive only approximately 26 percent of the per capita income of our nonfarm population, but at the same time we see these farmers lose more than half the capital, or equity, they held 20 years ago.

Mr. President, in my opinion this farm situation presents a most serious and alarming problem. Perhaps we will learn, all too late, that instead of Congress now considering ceilings for farm and ranch products, we should be adopting means of averting a serious food shortage. Texas is the largest agricultural State in this Nation, and conditions there are grave and serious indeed. We

also have large ranches capable of producing livestock. We hear a great deal of talk about the tremendous increase in the price of livestock, but the figures of the United States Government itself show that the value of all farm animals on the farms of this Nation in 1941 was \$3,000,000,000 less than the value 20 years ago. With farming and ranching in this impoverished condition, and the per capita income of farmers approximately only 26 percent of the income of non-farmers, we are now giving consideration to freezing this disparity permanently.

If we consult any available statistics we find virtually the same glaring differences between farm workers and factory workers. I hasten to say, Mr. President, that I am not complaining that factory wages are too high. I am merely drawing comparisons to show the deplorable wages being received by our farm population.

I few days ago I was reading a bulletin entitled "Three Decades of Farm Labor," issued by the Bureau of Labor Statistics, and it contains this rather startling statement:

The equity which farmers own in lands which they cultivate has gradually, year by year, been decreasing until today they have an equity of less than 40 percent in these farms.

It also carries the statement that in 1938 the average annual wage of farm workers was only 27 percent of the average wage of factory workers. According to figures of the United States Department of Labor in July 1941, the average wage paid to farm laborers per month was \$45. This wage, on the average, has increased some since that time. If we take all manufacturing industries, both the high wage and the low wage industries, and average them, we find, according to figures given in the Monthly Labor Review of August 1942, that the average earnings in all manufacturing plants was \$144 a month. In other words, it was three times the earnings of a man working on the farm.

The recent Handbook of Labor Statistics issued by the Department of Labor shows that a study of 117 occupational groups of employees employed by the Federal Government indicates that they earn an average of \$156 a month—almost four times the average earnings of the man employed on the farm. Look where we will, make any comparison we desire, we reach an inescapable conclusion, that those employed on the farms, ranches, and dairies of this Nation, even with the increased prices they are now receiving for what they produce, are still living on a starvation income.

As I have already stated, since we have started out on the plan of regulating by law the prices of commodities, I realize, of course, that it is inevitable that we must regulate the prices of all commodities, of all services, and all earnings, and since that division of the Government which thus far has been entrusted primarily with responsibility for the question of wages—the War Labor Board—has laid down as one of the basic principles upon which it operates, an equalization of earnings within industries and a recognition of the factor of the cost of living

in determining wages, it seems to me we must in simple justice, in considering any legislation designed to stabilize farm prices, take into consideration the present per capita earnings of those of our citizens who live on the farms.

I think it is essential that we do this to secure justice to this group of our citizens, and if we fail to do it, the ranks of those now engaged within the field of agriculture will constantly be depleted by a drift of all available farm labor, both old and young, male and female, to other industries with the ultimate result that we may face not a local but a general shortage of all the products of agriculture and livestock raising throughout the Nation, which means that we may face a shortage of something to eat and something to wear.

If the war is to be fought to a successful conclusion, certainly it is imperative that we maintain at a high standard the ability of those who are engaged in the livestock industry, the dairy industry, and general farming to produce for the Nation and our Allies those things which we must have. The State of Texas produces more wool than any other State in the Union; and we produce more mohair than all the other States in the Union. Texas is one of the large producers of beef cattle. We are developing large dairy herds, and at the request of the Government we are increasing the production of hogs. We are producing a large portion of the citrus fruits grown in this Nation. We produce large quantities of vegetables which are canned and shipped out of the State. Therefore, Texas has a broad, general interest in every phase of this great agricultural situation. But the citizens of Texas do not desire to be rated as a favored class, neither do they desire to be rated as a class to be discriminated against.

By what system of reasoning do we arrive at the conclusion that the Federal Government should pass a law and set up the National Labor Relations Board, as it did long before the war started, and use this Board, as it has, primarily for the purpose of furthering the unionization of industry on the theory that this would be beneficial to the employee, and then pass a wage-and-hour law designed, as the law states, to raise and equalize the standard of living in all industries, and then in the war emergency appoint a War Labor Board which has assumed the authority to direct industry to increase wages on the theory that it was necessary to equalize earning power?

I say, by what theory can we do all these things and then deny that this same Government of ours has the responsibility to equalize the earnings of those engaged in various fields of agriculture with those engaged in other lines of work? By what theory can we arrive at the conclusion that the average employee in the factory should earn \$144 per month for working about 8 hours a day and that the average man employed on the farm should earn \$45 per month for working 10 or 12 hours a day? Regardless of how we compare earnings, whether it be to compare the earnings of the owners and operators of farms or to compare the earnings of day labor or of monthly labor

employed in agriculture with earnings of persons employed in other lines of work, this great discrepancy in earning power still exists. To my mind, one of the greatest problems which faces the Nation today is the problem of putting agriculture on a fair basis of earning power with other lines of business and industry. It serves no purpose to talk about how much the earning power of agriculture has increased due to the increase of prices of farm commodities, because even with this increase the average worker on the farm today, or the average owner of the farm today, is earning approximately 26 percent of what is earned by similar effort in other lines of endeavor.

It may be contended that this is no time to undertake to equalize and to increase the earning power of our citizens. It may be argued that we have the one big job which is paramount to everything else, and that is to win the war. It may be argued that this is no time for social reform. With all these suggestions I have a somewhat sympathetic interest, but I want to see some of the social reforms, and some of the equalization schemes, and some of the other things designed to increase the earnings of all the highly organized and highly unionized groups in this Nation stopped before we put a lid on agriculture when it is as far down the scale as it is now. Simple justice demands that the first thing we do is to equalize agriculture with other industries and then stabilize it. If the general economic conditions will not permit this to be done 100 percent, then we should go as far as sound business judgment dictates toward accomplishing this purpose, and certainly we should call a halt, and we should do it now, to the constant increase in the flow of income to all the other classes of our citizens and then hope to prevent inflation by placing an absolute lid on the price of all farm commodities.

Again I wish to emphasize this fact: It is true the gross income of the farms and ranches has gone up during the last 2 years; it is also true that there has been some small increase in the net income of this group; but the big question is not how much the increase has been; the big question is, Where is farm income now? Even with these increases, where does agriculture stand? That is something we cannot forget.

There is another thing which we must remember. After the thousands upon thousands of young men have been called into the Army from the farms, if these farms and ranches are to continue to operate at full capacity, these young men must be replaced in most cases by hiring older men, and as the owners of the farms and ranches seek to hire older men, they find themselves in competition with all lines of industry which are constantly bidding up the price of labor. If we do not leave a fair margin of profit to those who are producing the hogs, those who are operating the dairies of this country, those who are growing the sheep, those who are producing grain and cotton, it will simply be impossible for them to carry on and produce not only what the Nation must have but

what the world must have in the way of food and clothing.

When we talk about the prices of farm products being on a basis of parity or above parity, the question naturally arises, Parity with what? And the answer is, it is parity with a previous starvation period of agriculture as compared with other industries. It is true that to say that agriculture should be allowed to earn on a basis comparable with what it earned from 1909 to 1914 is better than to say that agriculture should earn on a basis comparable with what it earned in 1933 at the bottom of the depression, but the earning of agriculture during the time parity prices were being established was then far below what it should have been as a matter of equity and justice as compared with other lines of business and industry, and it still remains far below what it should be.

If the Government should take the position that it is not the responsibility of Government in any case to look after the individual earning capacity of its citizens, or in any case to equalize these matters, then it might remain consistent and say that it is not the responsibility of Government to bring the earnings of citizens engaged in agriculture up to the standard of earnings of citizens engaged in other lines of endeavor. But, if I am correctly informed, our Government during recent years has most definitely assumed that it was the responsibility of Government to serve as an equalization agency between different groups of wage earners throughout the Nation, and that it was the responsibility of Government to increase wages and earnings where they were subnormal, and unless the Government is now ready to abandon this philosophy, then I think it should be consistent and apply it toward agriculture.

When we consider the figures which I mentioned some moments ago, with reference to farmer's income, we must remember that in order to produce this meager income he must have some investment. If he owns the farm, he has an investment in the buildings and improvements on the farm; if he does not own the farm, he at least has an investment in the equipment and other facilities necessary to carry on production. Certainly his income for similar effort should be equal to the income of a laborer in the manufacturing industry who has no investment whatever.

There is another phase of this question of fixing prices on agricultural products which I should like to discuss very briefly. It seems to me reasonable to say that, regardless of how desirable an objective may be, before it is undertaken to accomplish it by law, it must be certain that it is possible to attain the objective by this method. I have talked with a great many cattle raisers and they point out to me the fact that if the Government undertakes to fix the ceiling prices on pork, mutton, and beef, unless it puts a floor under the prices of hogs, lambs, and cattle and requires the buyers to pay at least a minimum, the result will be that whatever price is fixed as a ceiling will be passed back to the farmer,

with the result that probably the price of beef or pork or of other such commodities may go down to the consumer, but the producer will be required to carry all the cost of distribution, and I think inevitably this is true.

In other words, I think if it is desired to protect producers, some way must be found to guarantee that each pound of livestock sold on the market will bring at least a specified price. The same producers also point out to me that when we consider the fact that all types of livestock are sold in so many different grades and that the human equation enters so largely into the determination of the grade in which a certain load of beef cattle or hogs belongs, it would be almost impossible to enforce any minimum price for every grade of livestock which is to be sold. Without such minimums being established, of course, the buyer would have the option of forcing all livestock sold down to the lowest minimum.

Those engaged in the packing industry have explained to me many of the problems which they would face if an attempt were made by law to put a ceiling price on all the various types and cuts of beef which are sold. If we concede that the fixing of prices on all livestock and dairy products is desirable, there is grave doubt in my mind that it is administratively possible to accomplish the purpose without serious injustice to somebody somewhere down the line. That somebody will likely be the producer. With world conditions such as they are today, we cannot afford to experiment very much with such a vital matter as the production of food.

Coming as I do, from one of the great agricultural States of this Nation, where a large portion of our people are engaged in this industry, I feel that I have the responsibility, as their representative in the United States Senate, to place before the United States Senate these facts, because they affect vitally my own people, and they affect vitally the interest and welfare of the whole Nation and the whole war effort. An impoverished agriculture cannot do its part toward winning the war. So far as I am concerned, I am willing to go along and aid in working out any reasonable plan which is fair and honest to the great agricultural interests of this Nation and offers equity and justice to all our citizens.

There is no group of people in Texas, regardless of whether they be farmers, merchants, manufacturers, or industrialists, who want any special favors shown to them by the Government in this great world crisis; and I think it is unfair in the extreme to say, or to insinuate, that the great agricultural classes of this Nation, in Texas or in any other State, are seeking to profiteer out of the war. Year by year, the great agricultural industry of the United States has not only spent all of its income, but for the past 20 years it has been progressively spending its capital to the extent that it has reduced its capital from \$68,000,000,000 20 years ago to \$33,000,000,000 now. Today the farmers throughout the Nation are not only feeding our own people but the

world, and they are doing it for an income and a compensation of approximately 26 percent of the per capita income of our nonfarmers. When it is said, or insinuated, that there is a tinge of profiteering in it, a rank injustice is done to this great class of our people.

As I stated a moment ago, it may be that in the grave crisis which the Nation faces we are not now able to correct all the injustices which our economic system has forced upon the farmers, but there is at least one thing we can do, and that is to see that we at least head in the right direction and do not go backward. If we are to have a ceiling price placed on everything the farmer has to sell, then so far as I am concerned, I insist that we accomplish this purpose by specific law, and not by some loosely worded piece of general legislation which delegates to some other agency of government the authority to solve the problem. If the Congress of the United States decides that this job shall be done, then let us write a law which will do it, and not simply pass the buck by delegating to somebody else the authority to do it.

Let us at the same time write into the same law legislation which will be just as definite and just as specific to control wages and earnings in all lines of industry. I am opposed to making the farmers of this country guinea pigs to be used in experimentation by theoretical bureaucrats, whose number is constantly increasing.

Let me close with this statement: The question is not how much the income of agriculture has increased. The question is, How do the earnings of the great farming and ranching class of our people today compare with the earnings of other people who render similar service? From this standpoint the current facts drive us to the inevitable conclusion that even with today's agricultural prices the great farming and ranching class of this Nation has an earning standard of only approximately 26 percent of that of those engaged in other lines of industry.

The second important fact which I think we should remember is that if we have a responsibility in this matter to set a ceiling on the price of all farm commodities, then we must so accomplish it that at the same time we set the ceiling we will also set a floor, so that all the expense of holding down farm prices will not be rolled back on the farmers. The third thing which I think is important is this: Whatever we do, we should do it by law, specifically and definitely, and not by delegating the job to some Government bureau to do for us.

Fourth, at the same time we put a ceiling by law on the cost of living, we must in the same law put a ceiling on wages, and not leave that matter in the hands of a partisan board which probably will be dominated by highly organized groups of labor. If we are to regulate prices of farm commodities by law, then let us regulate wages by law, and not merely delegate the power to somebody else to regulate wages.

I do not believe that any State in the Union, or any class of citizens in the Union, has a monopoly on patriotism. I

believe that the willingness to fight for this country and, if necessary, to die for it, is an inherent trait of almost all our people everywhere. I do not believe that the great rank and file of labor in this Nation want to profiteer. I do not believe the great rank and file of employers of this Nation want to profiteer. I do not believe that the great rank and file of the farmers of this Nation want to profiteer. I believe that all classes and groups of our people stand ready to make any sacrifice which is necessary to carry this war through to a successful conclusion; but while I believe this is true, I also believe that it is the responsibility of the Congress of the United States to see that no law is passed which will require an unfair sacrifice to be made by our farm and ranch population, or any other particular class or group of our people.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment, on page 1, beginning in line 4.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, on page 1, line 6, after the word "wages", to strike out "salaries, and other factors" and insert "and salaries."

Mr. AIKEN. Mr. President, if we are to vote on the amendments, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Glass	O'Daniel
Andrews	Green	O'Mahoney
Austin	Guffey	Overton
Bailey	Gurney	Pepper
Bail	Hatch	Radcliffe
Bankhead	Hayden	Reed
Barkley	Herring	Reynolds
Bitbo	Hill	Russell
Brewster	Holman	Schwartz
Bridges	Johnson, Calif.	Shipstead
Brooks	Johnson, Colo.	Smathers
Brown	Kilgore	Smith
Bunker	La Follette	Spencer
Burton	Langer	Taft
Butler	Lee	Thomas, Idaho
Byrd	Lodge	Thomas, Okla.
Capper	Lucas	Thomas, Utah
Caraway	McCarran	Truman
Chandler	McFarland	Tunnell
Clark, Idaho	McKellar	Tydings
Clark, Mo.	McNary	Vandenberg
Connally	Maloney	Van Nuys
Danaher	Maybank	Wagner
Davis	Mead	Wallgren
Downey	Murdock	Walsh
George	Murray	White
Gerry	Norris	Wiley
Gillette	Nye	Willis

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. OVERTON. The pending amendment is, on page 1, line 6, after the word "wages," to strike out "salaries, and other factors" and insert "and salaries"; is that correct?

The PRESIDING OFFICER. Yes.

Mr. OVERTON. Mr. President, this is the first occasion in which the word "salaries" is used in the measure; and I desire to talk for a few minutes regarding salaries. Of course, in my opinion it is very proper and very wise to undertake to stabilize prices and to undertake

to stabilize wages; and the purpose of the joint resolution is so to stabilize prices and wages that, so far as practicable, the stabilization shall be on the basis of levels which existed on September 15 of this year. I see no particular objection to that; in fact I am in favor of it.

Then the joint resolution proceeds with reference to prices and wages to provide specifically that there can be no lowering of prices and wages below the highest paid during the present year—that is, from January 1 to September 15. There is no objection to that.

However, when we go further than that, and when the Congress undertakes to deal with salaries, and when it gives to the President the injunction that, regardless of the amounts of the salaries which are paid, salaries shall be so stabilized that they shall not be reduced below the highest paid during the present year, I think we are undertaking legislation which is unwise, unsound, and impracticable.

I have before me a report made as of September 17, 1942, by the Secretary of the Treasury in connection with salaries paid by corporations to their employees during the last fiscal year. The report deals with salaries of \$75,000 and over. It shows the payment by corporations to their employees of salaries ranging from \$75,000 per annum to over \$700,000 per annum. When I say "salaries" I include bonuses—the total compensation for personal services ranging from \$75,000 to over \$700,000.

Mr. President, I do not think we should declare as one of the purposes of the joint resolution that there shall be no reduction of such stupendous salaries or of any salary which rises above a wage level unless the President were to determine that a case of gross inequity exists; for in the pending measure the only exception to the mandate of Congress to the President with reference to salaries is that there can be no modification or lowering of salaries as of September 15, or the highest paid from January 1 up to September 15 of this year, except to the extent that the President may find such action necessary in order to correct some gross inequity.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. McKELLAR. I merely desired to ask how many salaries the Secretary of the Treasury reported as being between \$75,000 and \$700,000.

Mr. OVERTON. I have not counted them. Of course, the report deals only with salaries paid by corporations to employees; but there are some 47 pages of closely typewritten matter dealing with such salaries; so, of course, the total number is up into the hundreds.

However, over and above that, there are the \$50,000 salaries, the \$40,000 salaries, the \$25,000 salaries, and the \$10,000 salaries; and I shall go further than that, down to the \$5,000 salaries.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. HATCH. I am very much interested in what the Senator is saying; be-

cause I very well recall that on various occasions the President of the United States has stated his position to be that no salaries shall exceed \$25,000. Does the Senator say that the pending measure now authorizes the payment of a salary of \$75,000 to an individual, and that the President could not decrease such a salary?

Mr. OVERTON. Unless some gross inequity were to exist.

Now I shall read what the joint resolution has to say with reference to salaries.

Mr. VANDENBERG. Mr. President, before the Senator does that, will he yield to me so that I may comment on the Treasury report?

Mr. OVERTON. Very well; I yield.

Mr. VANDENBERG. While I entirely agree with what the Senator has said about such altitudinous salaries, I think it is a little unfortunate that such information goes out to the people of the country; because I think it is quite misleading. I am not charging the Senator with being misleading.

Mr. OVERTON. I have not given any of the details.

Mr. VANDENBERG. The figures are gross-income figures. I can assure the Senator and I can assure every one of the high-salaried drawers of the country that by the time the Senate Finance Committee gets through with the tax bill the figures which the Senator has just now read will look like the proverbial 30 cents. I think that when Government reports are made, it would be so much more informative to the country if they sometimes were made on the net basis instead of on the gross basis; because it is obvious that a statement made on the gross basis does not present the true picture.

Mr. OVERTON. The point raised by the Senator from Michigan relates to the revenue bill which is pending before the Finance Committee, of which the Senator is a very able, efficient, and effective member, and that question will arise when the revenue bill comes before the Senate for consideration.

However, the question now before us is whether we shall instruct the President of the United States that he cannot reduce any of these salaries below the level of the highest paid during this year.

Mr. VANDENBERG. Mr. President, will the Senator yield so as to permit me to make one more observation?

Mr. OVERTON. I yield.

Mr. VANDENBERG. Of course, what I said deals primarily with the tax bill; but I was trying to comment on a matter which has long lingered in my mind, and which should be discussed in connection with the Government report which the Senator is using; because I think the people receive a totally erroneous idea regarding our economic balance.

For instance, the able senior Senator from New Mexico has just referred to the suggestion which has so frequently come from the Chief Executive, that personal incomes should be limited to \$25,000. There are in this country millions of persons who think we could solve all our economic difficulties if we would just do that simple little thing. That suggestion

is constantly being thrown out, and it is an allurement. However, the Treasury Department reports that if we were to confiscate every penny of every income in the United States above \$25,000, and then if we were to apply all the proposed high tax rates to the balance, we would pay the war bill for just 4 days and 10 hours.

All I am pleading for is for information which will let the American people understand the horrible extent of the fiscal burden which exists and which they must be prepared to bear; and I think that sometimes a little franker information in Government reports would lead to a somewhat more acute understanding upon the part of the people.

Mr. OVERTON. The Senator from Michigan may be correct in that regard, but I do not like to be diverted from the purpose which I had in mind, and which we had in mind with respect to the provisions of the joint resolution relative to salaries.

Mr. VANDENBERG. I apologize to the Senator.

Mr. OVERTON. When I conclude I shall make a suggestion with respect to an amendment which I think should be offered; and let me say to the Senator that it is not to authorize and direct the President to reduce all salaries to \$25,000.

Mr. HATCH. Mr. President, I was very glad to hear the remarks of the Senator from Michigan, for I think they were very informative and will be very helpful to the country, but I was puzzled by what the Senator from Louisiana was saying. In view of the fact that the President has said that we ought to limit incomes to \$25,000, and the Senator from Louisiana is saying that we are about to freeze incomes at the highest possible figure, I merely wanted information on that subject.

Mr. BARKLEY. Mr. President, if the Senator from Louisiana will yield, in that connection the President's recommendation with respect to a \$25,000 limitation was a recommendation made in regard to the tax bill, and such a \$25,000 limitation would be after all taxes. He has not recommended that we attempt to deal with that question in the pending measure.

Mr. OVERTON. Mr. President, quoting the provisions of the joint resolution as they relate to salaries in section 1, they are:

That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this joint resolution, such stabilization—

That is, the stabilization of salaries—shall, so far as practicable, be on the basis of the levels which existed on September 15, 1942.

In section 4, page 4, the joint resolution provides:

SEC. 4. No action shall be taken under authority of this point resolution with respect to * * * salaries * * * (2) for the purpose of reducing the * * * salaries for any particular work below the highest * * * salaries paid therefor between

January 1, 1942, and September 15, 1942: *Provided*, That the President may, without regard to the limitation contained in clause (2)—

That is the clause I have just read—adjust salaries to the extent that he finds necessary to correct gross inequities.

Section 5, on page 5, provides:

SEC. 5. (a) No employer shall pay, and no employee shall receive, * * * salaries in contravention of the regulations promulgated by the President under this joint resolution.

That is the case presented by the joint resolution. The President of the United States is instructed to stabilize salaries so as not to reduce them below the highest amount being paid during the present year up to September 15, unless he finds a gross inequity to exist, and, in order to correct such gross inequity, then he may proceed to reduce salaries. There is an inhibition against any employer paying or any employee receiving a salary in contravention of the joint resolution and the orders issued by the President thereunder.

All that I suggest be done, by way of a very simple amendment, is this: In the proper place, add a new section, reading as follows:

SECTION —. Nothing in this joint resolution shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

I place it at \$5,000 because I think that is above any wage scale that is paid or any annual wages received by any laborer.

Mr. BROWN. Mr. President, will the Senator from Louisiana yield to me?

Mr. OVERTON. I am very glad to yield to the Senator from Michigan.

Mr. BROWN. We discussed this matter very briefly in the Banking and Currency Committee, and I think it was generally believed by the members of the committee that the Senator from Louisiana had placed his finger on a rather vital matter. Personally, I am very much inclined to go along with the amendment. We were thinking all the time of preventing increases, and, of course, we tried, all the way through, to stabilize wages and salaries as of a definite date. While the amendment would violate that principle, we are not much concerned about arrangements made between an employer and an employee with respect to salaries above \$5,000. I am not speaking for the committee, but, speaking for myself, I am agreeable to accept the Senator's amendment.

Mr. OVERTON. That is very satisfactory, and at the proper time I shall offer the amendment. I understand it is not now in order.

Mr. BARKLEY. Mr. President, as the Senator from Louisiana offered this amendment in the committee originally, it included not only private salaries but included Government salaries. I expressed to him my opposition to any provision that puts Government employees, which would include Members of the Senate and of the House of Representatives and all others on the public pay roll, in a special sacred class, upon an island of

safety, so that the President could not touch any of them. I objected to that. I have no objection to the amendment the Senator has suggested, and I understand the Senator from Michigan has no objection. I think it ought to be stated, however, that there is nothing in the joint resolution that would prevent any employer from reducing a salary, whether above \$5,000 or below \$5,000.

Mr. OVERTON. I do not agree with the Senator in that regard. It could not be done; an employer could not do it, and an employee could not do it, under the express provisions of the joint resolution.

Mr. BARKLEY. The Senator is talking about increases.

Mr. OVERTON. No, I am talking about decreases; I am not talking about increases or any limitation on increases. The purpose of this bill, let me say, is to prevent inflation, to prevent excessive capacity to spend money; tremendous salaries certainly are inflationary, and my purpose is not to prevent the reduction of a salary of any employee by any employer, above the \$5,000 bracket.

Mr. BARKLEY. The Senator's amendment provides:

That nothing in this joint resolution shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

I have never construed the joint resolution in such a way as to prevent such action being taken if an employer saw fit to reduce the salary of an officer who was receiving above \$5,000. I do not, however, object to the amendment if there is any doubt about the question which is involved.

Mr. OVERTON. As I read the provisions of the joint resolution, there cannot be any reduction except in case of gross inequity.

Mr. BARKLEY. I think that after the President has issued an order stabilizing salaries and wages he may adjust them to the extent necessary to eliminate gross inequities, but I doubt very much whether the joint resolution could be construed to prevent an employer from reducing a salary from \$6,000 to \$5,000 a year if he saw fit to do so if an employee received that much.

Mr. OVERTON. If the able Senator from Kentucky is not going to object to my amendment, I shall not debate it further.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. TAFT. Of course, under the Price Control Act there is no power whatever to fix minimum prices, and I, personally, have no question that the order issued by the President under the authority of the joint resolution will not provide minimum prices. I have no doubt that he will simply say that prices shall not be increased without approval by the President; I do not think he is going to attempt to interfere with reductions; but I agree that the language is so broad in connection with stabilization that it might be done. I certainly can see no objection to the amendment offered by the Senator.

Mr. OVERTON. It not only might be done but it could be done. The joint resolution contains the direction to the President to pursue that course and stabilize along the level of September 15.

Mr. TAFT. I have no doubt the President would construe this as requiring him to set minimum prices in a wage regulation. It seems to me he would conform to it if he simply says that no price or wage shall be increased without proper approval beyond the price or wage of a certain date. That is what I hope he will do. I think we might have well included the power to fix a minimum wage or a minimum price as we did in the Price Control Act; but since the Senator has called attention to it I see no reason why we should not say so, especially as to wages and salaries.

Mr. OVERTON. I am very glad the Senator from Ohio agrees with me.

Mr. BROWN. I ask unanimous consent that the Senate may now consider out of order and dispose of the amendment of the Senator from Louisiana while it is fresh in our minds.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan? The Chair hears none, and it is so ordered.

Mr. GEORGE. Mr. President, before any amendment is disposed of I desire to find out from those who drafted the bill, if they be in the Chamber, or those who are sponsoring the joint resolution, just what is meant by the section which was read by the Senator from Louisiana.

I refer to subdivision (2) of section 4:

No action shall be taken under authority of this joint resolution * * * for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942: *Provided*, That the President may, without regard to the limitation contained in clause (2)—

Which is the one just read—
adjust wages or salaries to the extent that he finds necessary to correct gross inequities.

I should like to have some light on the language "necessary to correct gross inequities," and I should like to know what that has to do with inflation.

Mr. BROWN. We must go back to section 1 for an understanding of the provision just referred to. We desire to direct the President to stabilize wages at the level of September 15, 1942. Undoubtedly there will have to be exceptions to the general stabilization, because some wage agreements are based upon contracts made, we will say, in 1939 or 1940, and wage earners and employers have stood by those contracts. If no exception were made in the joint resolution, the agreements made some years ago, based upon the cost of living as it then was, could result in an inequitable situation. A wage agreement based upon 1939 levels would be unfair in 1942. Therefore we make this exception, and provide that where such a situation gives rise to an inequity, the President may revise his order, or provide in his order for the correction of the situation. Briefly, that is the purpose of subsection (2) of section 4, on page 5. We wanted to insist as strongly as we could upon a general stabilization as of September 15, but we certainly cannot make it so rigid

that no changes could be made. Therefore, we chose this language, with the idea that injustices could be corrected and should be corrected where it was found necessary.

Mr. GEORGE. I agree with that, Mr. President, but while I was reading from the language on page 5 simply because the distinguished Senator from Louisiana had just read it, the same language occurs in the first section of the bill. I agree that there should be stabilization of wages, salaries, and prices, and it seems to me the committee has done very well to try to bring about stabilization, so far as practicable, on the basis of levels which existed on a given date; but I do not know what some of the language means, and I am merely seeking light. The measure provides:

The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities, and, in the case of increases—

The language which I have just read clearly contemplates decreases—

and, in the case of increases, to the extent that he finds necessary to aid in the effective prosecution of the war.

Then on page 5, when the reference is again made to wages and salaries, it is very clear that it refers to decreases, and not increases. It reads:

That the President may, without regard to the limitation contained in clause (2)—

That is, the one affecting wages and salaries—
adjust wages or salaries.

The joint resolution originally read "below the wages or salaries referred to in clauses (2) and (3) of this section." That is stricken out, but the intent is clear. It provides that the President may "adjust wages or salaries to the extent that he finds necessary to correct gross inequities."

What I desire to ascertain is what is meant by "gross inequities," because in both these instances it is clearly contemplated that the President may adjust wages and salaries downward; not upward, but downward. That is an incapable conclusion, and nothing else can be read into the joint resolution.

While I am discussing this question I should like to point out this language:

The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities.

The President is going to provide for making those adjustments through Mr. Leon Henderson; and what is Mr. Henderson's concept of "correct gross inequities" when it comes to wages and salaries, or even prices?

Mr. BROWN. I beg the Senator's pardon about the administration of the law. I am inclined to think, from my conferences, that Mr. Henderson's Office of Price Administration will handle the matter of prices, and that the War Labor Board will handle the matter of wages, although I cannot bind anyone, of course.

Mr. GEORGE. I referred to Mr. Henderson because I supposed this was in his field, and I should think the President would wish to have the Price Adminis-

trator handle the matter. What I am seeking to ascertain is just what is meant, when the clear intent and purpose is to allow a reduction in wages and salaries below the level of September 15, 1942, when either the President or some agency finds it necessary to correct gross inequities. What kind of inequities, and just what is meant by the phrase?

Mr. BROWN. I gave the Senator from Georgia one illustration. I may say that my construction of section 1 and section 4 is not the same as his. I assume that there will first be issued a general order for the stabilization of wages as of September 15, 1942. I think the language at the top of page 2, starting with line 1, "The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities," contemplates that after his general order of stabilization has been made he will at once, through the proper agency, provide for the making of adjustments up or down. I do not agree with the Senator from Georgia that they may be made only downward. That was not the intention of any of us at any time. The word "adjustment" implies a leeway. The President may make the adjustments up or down. During the consideration of the entire measure by the committee, I am sure it was thought it might be necessary to let wages go up, particularly in the case of unorganized workers, who have not presented their case to the War Labor Board, and whose wages lag behind the general level of wages in the highly organized industries. We, likewise, intend that the word "adjustment" shall imply that farm prices, when necessary, may rise. So much for that.

Mr. HATCH. Mr. President, will the Senator yield there?

Mr. BROWN. Let me reach my conclusion, then I shall yield.

I may say to the Senator from Georgia that the authors of the joint resolution are now and have been in the Chamber during the debate. The measure was written by the Senators on the Committee on Banking and Currency; it was not written down town. The idea we had was that the curing of the injustices which would inevitably appear in a freezing as of September 15, 1942, was a curing which would permit rises or declines in accordance with the limitations contained in the joint resolution over or under the levels established by the President.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BARKLEY. In connection with the Senator's statement giving the Senator from Georgia an example, it was brought to the attention of the committee that there are many wage contracts which were made 2 or 2½ years ago, based upon the cost of living at that time. No request has been made by either party to change those contracts. They have gone along and worked under them, notwithstanding the 19-percent increase in the cost of living since the contracts were entered into. Those contracts will expire within a few months, and it was the thought of the committee that the em-

ployees ought not to be foreclosed, when new contracts are entered into, from the right to ask for suitable increases based upon the increase in the cost of living since the contracts were entered into up to May 1942. Therefore I concur in the suggestion of the Senator from Michigan that the measure contemplates adjustments up as well as adjustments down.

In addition to that, it has frequently been stated on the floor of the Senate, and in committee, that there are about 50,000,000 people in this country working for wages or salaries. Only about 12,000,000 of them are organized. Outside the organizations there are vast numbers of persons, clerks in drygoods stores and grocery stores, workmen in laundries, who are unorganized and who have not received any increase at all, who have not received a 15 percent increase based upon the so-called Little Steel formula. Obviously it would be unfair to foreclose them against the right of asking for an adjustment of their wages based upon the present cost of living, as we all understand it to be. Of course, it would be unfair to all those vast numbers to preclude them from the right to ask for adjustments upward under the provisions of this measure. It would be a gross inequity, I think, to require all such persons to continue to work for the salaries or wages they received 3 years ago based upon conditions which then existed, without taking into consideration what has happened since.

Therefore I think the committee was wise in making the measure flexible, so that the President may consider gross inequities, which might require adjustments that would go up as well as adjustments that would go down.

While it is impossible to anticipate every particular instance in which the President may regard a situation as constituting a gross inequity, we must leave sufficient leeway and flexibility to him to adjust gross inequalities or inequities, whether they ought to be adjusted upward or downward.

There might be cases in which it might be desirable to adjust a wage or a price even downward, if there were a gross inequity, because of undertaking to freeze, on a given date, either prices or wages. I do not think we could give an exact definition of "gross inequity," but we have to leave it to the administrative authorities to interpret "gross inequity" in the light of conditions which may exist when they act.

Mr. HATCH. Mr. President, will the Senator from Michigan yield to me for a moment?

Mr. BROWN. Yes; I yield.

Mr. HATCH. In line with the discussion which has been proceeding with respect to gross inequities, I should like to have the Senator from Michigan explain, if he will, what that term, as used in the measure, means in connection with agricultural commodities. Some agricultural commodities are selling above parity, and, as I understand the rule laid down in the measure, first the parity price is taken and, second, the highest price up to September 15 of this year. But then it appears to me, though I am not sure that I am correct, that there is a broad

general power in the President to decrease prices, for instance, of agricultural commodities which are now above parity, if in his opinion the prices, being above parity, constitute a gross inequity. I know what the Senator from Michigan thinks, and he is entirely fair, and I know what he wants to do, but, frankly, I wonder about this. Take the price of cattle, which is perhaps the most important industry in my State. Cattle are now selling above parity. If the President were to say, "Well, now, that is a gross inequity"—I do not know to whom that is an inequity or to what—could the President reduce that price arbitrarily to parity or even below?

Mr. BROWN. In the first place, the parity formula or limitation is not subject to the gross-inequity provision in the measure. Parity is an absolute minimum below which the President may not go under any circumstances. I think any fair construction of section 1 of the measure—and this is in further answer to the Senator from Georgia on the wage question, as well as the Senator from New Mexico on the price question—any fair construction of the provision in section 1, as to the September 15 date, at least in the great majority of cases, is that a price in existence at that time was not a grossly inequitable price.

When we come to the highest market price limitation in section 3 of the bill, which is in respect to agricultural prices, the "gross inequity" provision relates and attaches to the limitation of the market price between January 1, 1942, and September 15, 1942. I would take it that, if prices had reached an unnatural level which was far out of line, under section 2 the "gross inequity" provision of the measure would become effective.

Mr. President, it is my judgment that the President would not find it necessary in most cases to lower the prices below the September 15, 1942, level, and we do not anticipate that he is going to lower wages below the September 15, 1942, level. That is the general standard. But when we come to these exceptions, particularly the highest market price exception, I could give the Senator from New Mexico a few examples of what seem to me to be unfair prices.

Mr. HATCH. Mr. President, will the Senator yield at that point?

Mr. BROWN. I yield.

Mr. HATCH. I am now rather thinking out loud, because this is the first time I have seen the committee print, and I have not had an opportunity to study it. I find on page 3, at the bottom of the page, relating to agricultural prices, the proviso:

That the President may without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities.

Mr. BROWN. That is the market level of January 1 to September 15.

Mr. HATCH. Then further there is another provision which says:

That modifications shall be made in maximum prices established for any agricultural commodity—

And so forth. I am skipping quite a bit.

That by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities.

There is nothing said about minimum prices. It is always about maximum prices. It seems to me to imply—and as I said, I am thinking out loud—that someone has the idea that prices are too high, and that they should be lowered.

Mr. BROWN. Of course, the idea of using the phrase "maximum prices" grows out of the manner in which the ceilings are established. We say that prices may not go above a certain maximum. That was the phrase which we worked out on the floor of the Senate for use in the price-control measure. The whole idea of the language in lines 2 to 13 on page 4, which is what I call the O'Mahoney amendment, and which was written by the senior Senator from Wyoming [Mr. O'Mahoney], is that in the case of agricultural labor there is a congressional direction to the President to take into consideration the question of rising labor costs and other costs—of farm machinery, as has been suggested here today—in his determination of a maximum price for an agricultural commodity. If it appears that because of price regulations issued by the Price Administrator relating to maximum or ceiling prices his maximum is too low to give farmers generally a fair return, after the payment of the increased labor costs, then it is the duty of the President to give due consideration to that, and if he finds that gross inequities would result, to readjust the maximum upward in order to take care of the increased costs.

Mr. O'MAHONEY. Mr. President, will the Senator yield at that point?

Mr. BROWN. I yield.

Mr. O'MAHONEY. It occurs to me to call attention to the table which appears in the hearing on page 57. The Senator will recall that I placed that table in the RECORD at the time Mr. Henderson was testifying.

Mr. BROWN. Yes.

Mr. O'MAHONEY. It lists 27 principal agricultural commodities, and shows which are above and which are below parity. Of the 27, 14 commodities on August 15 were below parity, and only 13 were above. The Senator will recall that I questioned Mr. Henderson during his testimony.

Mr. BROWN. Yes; I do.

Mr. O'MAHONEY. And he stated at that time that he knew of no farm price that was dangerously inflationary, and indicated that, so far as he was concerned, he did not think it would be necessary to reduce farm prices. That testimony, of course, was in perfect harmony with the terms of the bill, as introduced by the Senator from Michigan, and as now reported by the committee. It was also in harmony with the statement of the President in his Labor Day message, when he clearly declared that, so far as he was concerned, he would be satisfied either with parity or with the highest price that—

Mr. BROWN. That had recently prevailed.

Mr. O'MAHONEY. Yes; that had recently obtained. I believe that the question which the Senator from New Mexico is asking has to do with whether or not any of these general classes of commodities could possibly be regarded as reflecting a gross inequity. I think the Senator can very well answer that question upon the basis of the hearings, the discussions which we have had, and the testimony. Such prices do not now reflect gross inequities.

Mr. BROWN. Certainly that would be true as to meat prices. I believe that the only exception was with respect to the price of rice, which, it was felt, might be considerably out of line, because according to the table to which the Senator refers, it is now at 162.9 percent of parity.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the table to which reference has been made be printed in the RECORD at this point in the debate.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Average prices received by farmers Aug. 15, parity prices Aug. 15, and minimum ceiling under Emergency Price Control Act of 1942

Commodity	Unit	Aug. 15 farm price ¹	Aug. 15 parity price	Minimum ceiling under Emergency Price Control Act
Wheat.....	Ct. per bu.....	95.4	134.4	147.8
Corn.....	Ct. per bu.....	83.4	97.6	107.4
Oats.....	Ct. per bu.....	42.6	60.6	66.7
Barley.....	Ct. per bu.....	56.7	94.1	103.5
Rye.....	Ct. per bu.....	49.2	109.4	120.3
Rice (rough).....	Ct. per bu.....	162.9+	123.6	143.9
Buckwheat.....	Ct. per bu.....	87.5	111.0	122.1
Grain sorghums.....	Dol. per 100 lb.....	1.15-	1.84	2.02
Flaxseed.....	Dol. per bu.....	2.26-	2.57	2.83
Cowpeas.....	Dol. per bu.....	1.87-	2.37	2.61
Beans, dry edible.....	Dol. per ewt.....	4.45-	5.12	5.77
Soybeans.....	Dol. per bu.....	1.58+	1.44	1.58
Peanuts, for nuts.....	Ct. per lb.....	5.99-	7.30	8.03
Cotton.....	Ct. per lb.....	18.03-	18.85	21.47
Cottonseed.....	Dol. per ton.....	44.04+	34.28	50.36
Hogs.....	Dol. per 100 lb.....	14.13+	11.05	12.16
Beef cattle.....	Dol. per 100 lb.....	11.30+	8.24	9.34
Veal calves.....	Dol. per 100 lb.....	12.91+	10.26	11.29
Sheep.....	Dol. per 100 lb.....	5.62-	6.89	7.58
Lambs.....	Dol. per 100 lb.....	12.07+	8.94	11.12
Butterfat.....	Ct. per lb.....	40.6+	38.0	44.0
Milk, wholesale.....	Dol. per 100 lb.....	22.52+	22.38	26.6
Milk, retail.....	Ct. per quart.....	11.8+	10.3	11.4
Chickens, live.....	Ct. per lb.....	19.6+	17.3	21.1
Turkeys, live.....	Ct. per lb.....	19.9-	21.9	28.8
Eggs.....	Ct. per doz.....	32.2+	31.7	34.1
Wool.....	Ct. per lb.....	39.4+	27.8	37.1

¹ + indicates Aug. 15 farm price above parity; - indicates below parity.

² Comparable price.

³ 110 percent of comparable price.

⁴ Adjusted for seasonal variation.

⁵ Preliminary.

Division of Statistical and Historical Research, Bureau of Agricultural Economics.

Mr. BROWN. My recollection is that the price of rice was the only price which was considered at that time to be far enough out of line to come within the meaning of that definition.

Mr. O'MAHONEY. That was the only price the Senator mentioned to me.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. MAYBANK. The reason for the present price of rice is that formerly most of the rice which we consumed was imported from the Philippines.

Mr. BROWN. That is correct.

Mr. MAYBANK. Rice culture in our State was abandoned during the period from 1909 to 1914.

Mr. BROWN. That is correct. That reason was given in the committee.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. GEORGE. I conclude, from what the Senator from Michigan has said in answer to my inquiry, and from the general discussion, that the provision on page 2—

The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities—

contemplates increases in prices, wages, and salaries, as well as decreases, and primarily was intended to provide for increases to overcome any inequities which might exist by reason of subnormal or substandard wages, or subnormal prices for agricultural commodities.

Mr. BROWN. I agree with the Senator, except in his use of the word "primarily." I think our intent was to provide for either going up or down. The Senator will doubtless read the subsequent language, which was not in the original joint resolution, and which was put in somewhat against the wishes of the Senator from Michigan, with respect to increases found necessary to aid in the effective prosecution of the war. The majority of the committee felt that it was not desirable to tie decreases to the effective prosecution-of-the-war basis, but that such action should be confined to increases. With some reluctance I agreed to that proposition.

Mr. GEORGE. I may say that I have very great difficulty in following the reasoning of the Senator. A very careful reading of sections 1 to 4 indicates, to my mind, that what is contemplated is a reduction in prices or wages, and not an increase.

Mr. BROWN. The view of the committee was that reductions generally are not to be expected. We anticipate that the use of the "gross inequities" provision will, in a great majority of cases, be in connection with applications for rises in prices and wages; but it is conceivable that there may be a few instances in which reductions might be desirable. We did not want to leave the statute in such a condition that downward readjustments would be positively prohibited in cases in which gross inequities exist.

The only agricultural commodity the price of which, in the judgment of the Senator from Michigan, could be construed to be grossly inequitable at the present time, is rice. As the Senator from South Carolina [Mr. MAYBANK] has indicated, market conditions are most extraordinary at the present time. The Japanese-Malayan productions is, of course, lost to us; and the great market for rice which exists in the islands off the south coast of the United States, the West Indies, and certain parts of the United States, and the great demand of

the United States Army itself for rice, have created an artificially high present market. However, it is very doubtful that economic conditions will permit interference with that price at the present time.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BARKLEY. The language in the latter part of section 1, which appears at the top of page 2, contemplates two different situations. The President is authorized to make adjustments with respect to prices, wages, and salaries to the extent that he finds necessary to correct gross inequities. On the basis of gross inequities, he could raise or lower wages, prices, or salaries; but the following part of that section provides that only in cases of increases may he use as a basis his belief or finding that increases are necessary to aid in the effective prosecution of the war.

Mr. BROWN. The Senator is correct.

Mr. BARKLEY. In other words, if he should find it necessary to stimulate the production of any agricultural commodity, or if he should find it advisable in some case to increase wages in order to increase the morale of working men in a vital industry necessary to aid in the effective prosecution of the war, he would be justified in allowing an increase, and authorized to do so under this language. However, that applies only to increases.

Mr. BROWN. That is correct.

Mr. BARKLEY. It carries with it the implication that outside the correction of gross inequities he would also have the right to make increases both as to agricultural or other prices, and as to wages or salaries, if he should find it necessary in the effective prosecution of the war. So that clause must be taken in its two separate senses. One is on the basis of gross inequities, and the other is on the basis of necessary aid in the prosecution of the war.

Mr. BROWN. I should like to make one further comment to the Senator from Georgia, which I have made before, but which I think should be restated. The "gross inequities" provision in the joint resolution would in no event authorize a maximum price order at a level below parity. The "gross inequities" provision in section 3 relates only to the January-September level of prices.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. GEORGE. On that point I am inclined to think that the Senator from Michigan is correct. However, the matter is not clear to my mind, for the following reasons:

The President is bound by section 3, which provides:

No maximum price shall be established or maintained for any agricultural commodity under authority of this joint resolution or otherwise below a price which will reflect to producers of agricultural commodities—

first, the parity price, and second, the highest price received by such producers.

In line 15 this language follows:

and no maximum price shall be established or maintained under authority of this joint

resolution or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefore equal to the higher of the prices specified in clauses (1) and (2) of this section.

Then we come to the provision on which the Senator bases his statement. No doubt it was intended to accomplish the purpose stated by the Senator, and it may do so. The language is:

Provided, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities.

The maximum price is whichever price the President finds to be the higher; that is, the parity price or the highest price received by the producers. Then the provision is applicable, that the President may, without regard to the limitation contained in clause (2)—the one which fixes the highest price received by such producer for such commodity between certain dates—adjust any such maximum price to the extent that he finds necessary to correct gross inequities.

Let me say to the Senator from Michigan, with very great respect, that I am not at all sure that the President could not find that a parity price resulted in gross inequities, and reduce the price below parity, if the parity price had been found to be the higher of the two prices. I say that in large part because of the language on page 2 of the joint resolution, which, after providing for the stabilization of prices and wages on the basis of levels which existed on September 15 would authorize the President thereafter to provide for making adjustments with respect to prices, wages, and salaries to the extent that he finds necessary to correct gross inequities.

It is not clear to my mind that after the President has fixed or found the higher of the two prices—that is to say, parity or the highest price received between certain dates by producers of the commodity—he may not, without regard to the limitation contained in clause (2), bring about or make a readjustment if he finds it necessary to do so in order to correct gross inequities. It does not seem to me to be altogether clear that he could not fix a price below parity if he said, "I found the highest market price received between January 1 and September 15 to be the parity price of the farm product, and I fixed that as the maximum price; but, nevertheless, I find that it is necessary to adjust that price in order to correct gross inequities"—and without any regard to the limitations contained in clause (2) he might proceed to do so. It seems to me that is a possibility.

Mr. BROWN. Mr. President, I think the first sentence in section 3 on page 2 is a direct limitation upon all authority contained in section 1 of the joint resolution. If the President attempted to do as the Senator from Georgia has pointed out—that is to operate under the gross inequities provision in section 1—he would be confronted with section 3, which says that—

No maximum price shall be established or maintained for any agricultural commodity under authority of this joint resolution or otherwise—

Not just under this section, but under the joint resolution—

below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

(1) The parity price * * *

As one of the authors and sponsors of the joint resolution, I want to make a positive statement that that is the construction which we placed upon the language, that in no event could the President under the gross inequities provision contained in section 1 or the provision contained in the latter part of section 3 fix a price below parity. Parity we intend to be an absolute limitation upon any price-maximum order which may be issued.

Mr. GEORGE. In order to make the joint resolution clear—because I am trying to find out what it means—let me ask the Senator a further question. Suppose in the case of wheat or beef cattle the President were to find that the highest prices paid to the producers of such commodity between January 1, 1942, and September 15, 1942, as adjusted by the Secretary, and so forth, were above parity. Then it would be the President's duty to fix that as the maximum price; would it not?

Mr. BROWN. That is correct.

Mr. BARKLEY. As the minimum price; not the maximum. It would not be his duty to fix it as the maximum.

Mr. BROWN. He could do so.

Mr. BARKLEY. He could fix it.

Mr. BROWN. Yes; that is what the Senator from Georgia means.

Mr. BARKLEY. But he would not be required to do it.

Mr. BROWN. Yes.

Mr. GEORGE. Then I do not understand the joint resolution at all. It says that the President is to fix prices, and it provides that—

No maximum price shall be established or maintained for any agricultural commodity under authority of this joint resolution—

And so forth.

Mr. BARKLEY. Any price which is lower than a certain amount.

Mr. GEORGE. That is correct; but let us go back to my question. Suppose it is either minimum or maximum. Suppose that in the case of beef cattle or wheat the President found that the highest price received by the producers for either commodity between the dates fixed in the joint resolution was above parity, and therefore he fixed the maximum price at the higher figure, or we might state it the other way around, if desired, and say "a floor." However, I am assuming that that would be the maximum price. Then why could not the President, under the language of the same section 3, reduce the price which he had fixed, and where is there any provision which would require him to stop at the parity level? That is the question I ask.

The language reads:

Provided, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the

extent that he finds necessary to correct gross inequities.

I may be mistaken, but it seems to me that in the case which I have presumed to state the President may actually reduce the price for beef cattle or wheat below the parity price. I give that purely as an illustration.

Mr. BROWN. I have the case the Senator states thoroughly in mind; and if I may be permitted to do so, I think I can point out to him why I think no such limitation could be fixed.

In the first place, we talk so much about maximum price that we do not realize that the President may go higher. In the second place, section 3 is regarded by the committee—and I think that a fair and careful reading of its provisions will show it so to be—as a definite limitation upon the power of the President under section 1. So much for that.

It is our position that clause (1) on page 3, starting in line 3, is a definite limitation upon the right of the President to fix any maximum price below parity. If it happens—as is the case with respect to several commodities—that the highest market price from January 1, 1942, to September 15, 1942, is higher than parity, the President may—in fact, he must—adopt that top limitation. However, with respect to that top limitation he may give consideration to the question of inequity; but the proviso distinctly, in my judgment—and I know that is the intent of the committee—prohibits him from using the gross-inequities provision to reduce any price maximum below the level provided in clause (1). It may operate only with respect to the limitation contained in clause (2) as to the highest price received by producers. I know that such was the intent of every member of the committee, and I myself am satisfied that a careful reading of the language can lead to no other conclusion.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. BROWN. I yield.

Mr. BARKLEY. It should be pointed out that the revised authority here proposed to be given to the President has no relationship whatever to clause (1) which deals with parity.

Mr. BROWN. Except that it is a limitation.

Mr. BARKLEY. Yes. I mean the provision applies only to clause (2), under which he may deal with the highest price existing as between January 1, 1942, and September 15, 1942; and it should be kept in mind that in interpreting the language which is now in the joint resolution in connection with the committee amendment at the bottom of page 3, we must keep in mind what the committee struck out there, because the two go together. As it originally read, it provided that "the President may provide for a lower price than the highest market price for any commodity between January 1, 1942, and September 15, 1942;" and in order to get away from any emphasis which someone might put upon the expression "lower price", we struck out that phrase, and wrote in the phrase "without regard to the limitation contained in clause (2)"—which provision

applies only to the price between January 1 and September 15, but has no application to clause (1) which deals with parity—"adjust any such maximum price to the extent that he finds necessary to correct gross inequities."

So, under the modified language there contemplated, it seems to me—and I think that is the view the committee has—the President would be under no limitation with respect to bringing about a lower price, but he might adjust the price in clause (2), which deals with the highest price between January 1 and September 15, either up or down in order to correct gross inequities. In that modified language which deals solely with the question of parity, we do not touch clause (1).

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BROWN. Let me say to the Senator from Georgia—and then I shall yield to the Senator from Ohio—that our intent is clear. I think it is clearly expressed in the joint resolution; but if the Senator from Georgia can frame a provision—and I know he is a very busy man with his tax bill—which will more completely state what I have stated on the floor as the intent of the committee, I should be delighted to accept it. However, I think the point is fully covered.

I yield now to the Senator from Ohio.

Mr. TAFT. Mr. President, the interpretation placed by the Senator from Georgia had not occurred to me, but I think there is something to his objection. In other words, we do not say, "He may, with regard to section 2." We say, "He may adjust the maximum price regardless of section 2."

That language may apply to section 1, but it does not say so. I should suggest that it is very easy to meet that point simply by providing that "He may adjust such maximum price to the extent necessary to correct any gross inequities, but in no case lower than provided by clause (1)."

That would make it absolutely clear, and I see no reason why it should not be done.

Mr. BROWN. We could use the phrase "but not below parity" at the end of the provision with respect to gross inequities.

Mr. GEORGE. We could; and I was about to make that suggestion. I was about to suggest that we could clarify it entirely by saying, "Nothing in this joint resolution shall be construed to give the President power to provide for prices lower than those provided in clause (1) of section 3."

I should prefer to have it applied to the whole joint resolution.

Or the purpose could be accomplished by the statement that "nothing in section 3 shall be construed to authorize the reduction of the price below parity as set out in subsection 1 of section 3," which was substantially the same conclusion the Senator from Michigan reached.

Mr. BROWN. I may say to the Senator from Georgia—

Mr. SCHWARTZ. Mr. President—

Mr. BROWN. I will ask the Senator from Wyoming to wait a moment in order that we may settle this matter.

Mr. GEORGE. I say that the suggestion which the Senator from Michigan made, it seems to me, would cover the point and clarify it.

Mr. BROWN. The suggestion was made to me by the Senator from Arkansas [Mr. SPENCER] and by the Senator from Wisconsin.

Mr. GEORGE. I had in mind suggesting some qualification of that kind, to say, for instance:

Adjust any such maximum price to the extent that he finds necessary to correct gross inequities, but nothing herein contained shall be construed to authorize fixing the price below parity.

Mr. BROWN. I may say to the Senator that I am in agreement that such an amendment should be added, and I will ask the drafting service to draft appropriate language, to be put in the joint resolution at that point.

Mr. GEORGE. If I may say so to the Senator, I think the confusion has come about because of striking out some of the original language in line 22 and by the inclusion of the words "maximum price", because the maximum price clearly contemplated—that is, the price which the President shall fix as the maximum—may be either one or the other, parity or the higher price. By referring to that same maximum price clause 2 virtually becomes meaningless when it is provided that adjustments may be made if found to be necessary to correct gross inequities in the maximum price. By the addition of that simple amendment, it seems to me that the meaning could be cleared and that the intent and purposes of the bill as explained by the able Senator from Michigan would be clearly expressed.

Mr. BARKLEY. Mr. President, if the Senator will permit a suggestion at that point, I think we could take care of all that by adding after the words "gross inequities," the words "but not below the prices stipulated in clause (1) of this section," which are parity prices.

Mr. GEORGE. That is correct.

Mr. BROWN. I think the general idea is clear, and I will have the drafting service prepare an amendment.

Mr. SCHWARTZ. Mr. President, did I understand the Senator correctly a moment ago to say that it is the thought of the committee that the President would issue a general order based on parity, and thereafter correct it?

Mr. BROWN. No, the general order would be the level of September 15, 1942. That is the direction of section 1 of the joint resolution and, of course, the prices will be based upon the general level of September 15.

Mr. SCHWARTZ. Of course, parity would be of no service at all to one of the major industries in the West, for on the old basis of parity, wool would be down to 27 cents, because the generally accepted parity period was in the case of wool a period of lowest prices; and today the cost of producing wool has increased at least 35 percent.

Mr. BROWN. The first level will be September 15, 1942, price, and the second would be the market price paid the producer between September 15 and January 1 of this year. That is the way it would work. It could not go below

parity in any event; but parity, I may say to the Senator from Wyoming, would be of no importance to him.

Mr. SCHWARTZ. If the price of wool were fixed at parity, there would be little wool produced.

Mr. HATCH. Mr. President, it is important to us in the Western States to know, with some certainty, what the stabilization of prices is going to be. If we give the President blanket power—and I say that with all due respect to the President of the United States; I am not critical of him; I know that if this matter were left in his hands it would be perfectly all right; I am not so sure about some man who would administer price control under the law we might pass—but if we give blanket power to reduce prices down to parity—

Mr. BROWN. We certainly do not do that, I will say to the Senator from New Mexico.

Mr. HATCH. Suppose the President shall find that in the case of the price of wool there is a gross inequity because it is above parity?

Mr. BROWN. I have said several times that my own construction of that is that the September 15 level would apply. The September 15 level is, in all likelihood, the bottom below which the President would not go.

Mr. HATCH. I know the Senator has said that. He said it on the floor; I have talked with him privately, and I know that it is exactly what he feels, and I have no hesitancy whatever in saying that if the Senator from Michigan were administering the act I would not raise a single question, but I am puzzled about how much power is given.

Mr. BROWN. Mr. President, I did not have the floor. Somehow, I seem to have taken it for the last hour. I had concluded.

Mr. OVERTON. I had the floor.

Mr. BROWN. Can we dispose of the Senator's amendment?

Mr. OVERTON. I should be glad to have that done.

Mr. BROWN. It is perfectly agreeable to me to let the amendment which the Senator from Louisiana has proposed go into the joint resolution in line 15, on page 5, immediately after section 5 relating to the prohibition against increasing wages or salaries in contravention of the regulations promulgated by the President. It could come in as a new subsection.

Mr. O'MAHONEY. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, after line 15, it is proposed to insert the following:

Nothing in this joint resolution shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. OVERTON].

Mr. O'MAHONEY. Mr. President, may I ask the Senator from Louisiana to what extent he thinks the amendment would be operative?

Mr. OVERTON. To the extent that salaries of \$5,000 or more could be reduced by direction of the employer without the consent of the President to \$5,000.

Mr. O'MAHONEY. Does the Senator feel that this amendment would make it clear that the joint resolution does not attempt to freeze unusual increases in salaries?

Mr. OVERTON. It is the very purpose of the amendment to prevent freezing high salaries.

Mr. O'MAHONEY. The Securities and Exchange Commission, for example, has had occasion to release during the past 6 months various reports which indicated that in some instances large corporations have granted what appear to be inordinate increases of salary to their executive officers. In some cases the executive officers have increased their own compensation. Sometimes the increase has been for the purpose of reducing the tax burden upon the corporation itself, and sometimes it has been, of course, to give a larger share of what appear to be war profits to the management. When I first read the joint resolution I wondered whether it might not be interpreted in such fashion as to prevent any correction of such obvious inequities. I take it that the Senator's amendment will prevent the joint resolution from freezing such inequities.

Mr. OVERTON. That is the purpose of the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Louisiana [Mr. OVERTON].

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 1, line 6.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The LEGISLATIVE CLERK. On page 1, line 7, after the word "and" and the comma, it is proposed to insert "except as otherwise provided in this joint resolution."

The amendment was agreed to.

The next amendment was, on page 1, line 9, after the words "existed on", to strike out "August" and insert "September."

The amendment was agreed to.

The next amendment was, on page 1, line 10, after the date "1942" and the period, to strike out "In exercising the authority conferred by this joint resolution, the President may", and to insert "The President may thereafter."

The amendment was agreed to.

The next amendment was, on page 2, line 3, after the word "wages" and the comma, to strike out "salaries, and other factors", and to insert "and salaries."

The amendment was agreed to.

The next amendment was, on page 2, line 4, after the word "inequities", to strike out "or" and to insert a comma and the words "and, in the case of increases, to the extent that he finds necessary."

Mr. VANDENBERG. Mr. President, this amendment raises the question we were canvassing earlier in the afternoon. I submit to my able colleague that as the

language stands it authorizes the President to make adjustments with respect to prices, wages, and salaries to the extent he finds necessary to correct gross inequities without any regard to any consideration of war necessity.

The pending measure is supposed to be geared to the war emergency. So far as this particular power and this particular finding are concerned, it can relate to a social purpose or an economic purpose; it does not have to have any relationship whatever to the war. So far as I am concerned, I see no reason why we should yet find it necessary to authorize the President of the United States to do what he pleases with the social and the economic structure of this country, regardless of the war. So I suggest to my able colleague, who was kind enough to agree with my preliminary analysis of this matter a little earlier in the day, that if we strike out in line 5 the words "in the case of increases" and leave the remainder of the provision as it is, then any action which the President may take must be geared to two purposes: First, to correct inequities; second, to aid in the effective prosecution of the war.

Mr. BROWN. So far as I am concerned, I am willing to accept the amendment. I should like to know what the Senator from Ohio thinks about it.

Mr. TAFT. It is perfectly satisfactory to me.

Mr. BROWN. Does the Senator feel that the amendment should be made in the absence of the Senator from Connecticut?

Mr. TAFT. I think that if the Senator from Connecticut wishes to raise the question again, we can reconsider the action.

Mr. BROWN. With that understanding, I am agreeable to the change. I am not sure that it will be satisfactory to the Senator from Connecticut, and he may wish to discuss it.

Mr. McNARY. Mr. President, it is very considerate to ask various members of the committee how they feel about a proposed amendment, but in my opinion that is not the way to proceed. I favor the amendment, but I think the Chair should ask for a decision from the Members of the Senate.

The PRESIDING OFFICER. The Chair intended to put the question in any event.

Mr. VANDENBERG. Is this the amendment to the committee amendment on page 2, line 5, to strike out the words "in the case of increases"?

The PRESIDING OFFICER. It is.

Mr. OVERTON. I should like to ask the Senator from Michigan his interpretation of the amendment.

Mr. VANDENBERG. I thought I had just made it as plain as I could.

Mr. OVERTON. I should like to call attention to another point I have in mind.

Mr. VANDENBERG. All I am trying to do is to make certain that the President's action in all instances shall be geared both to the correction of gross inequities and to the effective prosecution of the war.

Mr. OVERTON. I agree with the Senator.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. LUCAS. Does not the Senator believe the amendment would be strengthened if we struck out the word "and" on line 5?

Mr. VANDENBERG. No; that is precisely what I do not want. I want the word "and" in the joint resolution, so that both these necessities shall be consulted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the senior Senator from Michigan to the amendment of the committee on page 2, line 4.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The LEGISLATIVE CLERK. On page 2, line 9, before the word "may", it is proposed to insert the word "and."

The amendment was agreed to.

The next amendment of the committee was, on page 2, line 12, after the word "direct" and the semicolon, to strike out "and may suspend any provisions of law relating to the establishment or maintenance of prices, wages, or salaries which are inconsistent with the purposes of this joint resolution" and to insert "The President may suspend the provisions of sections 3 (a) and 3 (c) of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this joint resolution, but he may not under the authority of this joint resolution suspend any other law or part thereof."

Mr. McNARY. Mr. President, I appeal to the able Senator from Michigan, who has the joint resolution in charge, and to our distinguished leader to recess for the day at this point. This is a controversial amendment, and I desire to have it go over until tomorrow.

Mr. BARKLEY. I have no objection to the amendment going over.

Mr. BROWN. That is satisfactory to me.

Mr. BARKLEY. It might be that we could consider other noncontroversial amendments.

Mr. McKELLAR. Mr. President, if the Senate is to adjourn at this time, I wish to present and to have printed and lie on the table an amendment which I propose to offer tomorrow to the pending measure.

The PRESIDING OFFICER. Without objection, the amendment will be printed and lie on the table.

Mr. BARKLEY. Whatever the Senator from Michigan wishes to have done is agreeable to me. I thought we might dispose of noncontroversial amendments, such as those on page 3.

Mr. HATCH. I am not quite sure that the amendments on page 3 would be noncontroversial. I should like very much to have them go over.

PRODUCTION OF PETROLEUM AND GASOLINE RATIONING

Mr. O'MAHONEY. Mr. President, I desire to have printed in the RECORD a

telegram which I addressed to the Secretary of the Interior relating to survey of Rocky Mountain and Texas oil resources, together with the response I received from the Deputy Petroleum Coordinator, Mr. Davies, and a letter which I have received from Dr. Mendenhall, the Director of the Geological Survey. This letter is accompanied by a table relating to the black oil petroleum reserve of the State of Wyoming.

What the petroleum industry will have to do in order to supply gasoline and lubricating oil for our air forces during the war will be a question to which the Subcommittee on Western Minerals of the Committee on Public Lands and Surveys will investigate and find an answer to on October 5.

Last night's raid of the Royal Air Force over Munich calls attention in dramatic manner to the increasing demand for petroleum. These bombers had to make a round trip of 1,200 miles, and they were burning gasoline and oil at a rate which staggers the imagination.

When the first raid was made over Cologne, on May 30, with 1,000 bombers, spokesmen for the R. A. F. announced that it was the beginning of a prolonged aerial offensive upon the German industrial system. Since that time, including last night's expedition, about 46 huge raids have been made on German industrial and maritime centers. The attacking force has ranged from one or two hundred to as many as 1,300 planes.

It may be conservatively estimated that no fewer than twelve to fifteen thousand bombers have been involved in carrying out this vast aerial offensive. When it is remembered that it cost 1,000,000 gallons of aviation gasoline to carry out the single raid on Cologne, a raid which involved not to exceed 6 hours of flying, it becomes clear that tremendous quantities of gasoline and oil are necessary to carry out an offensive program of this magnitude.

The picture becomes more amazing when we realize that American Flying Fortresses and other war planes are fighting on every front in the global war. From Australia and the Solomon Islands to China and to Libya, as well as to Germany itself, our planes are carrying death and destruction to the Axis Powers. We are talking even now of increasing the number of cargo planes. We are planning aerial war on an unprecedented scale.

All this means petroleum. It means the production of petroleum. It means production in the United States, because large areas of the other producing sections of the world have fallen into the hands of our enemies.

It means that the mistakes in the production of rubber and steel must not be repeated with respect to petroleum.

Oil men of the United States have already done an excellent job under the direction of Secretary Ickes and the Petroleum Industry War Council. A better job needs to be done, not only because of the increasing demand, but also because of increasing obstacles to production.

Nation-wide gasoline rationing, for example, would unquestionably tend to de-

crease supplies because by cutting off markets for small operators it would tend to put them out of business. We need every oil operator in America actively producing petroleum now. Price controls, based upon the cost of gasoline to the consumer rather than upon stimulated production, also tend to hold down the development of new supplies.

The Senator from New Mexico [Mr. HATCH] and I, as members of a special subcommittee of the Senate Committee on Public Lands and Surveys, have recently held hearings at Casper, Wyo., Artesia, N. Mex., and Midland, Tex., where the oil operators of the country told their story of how production may be stimulated. Representatives of the Office of Petroleum Coordinator and the Office of Price Administration participated in these hearings, as they did in a hearing on July 17 in the committee room here in Washington.

All the agencies which have jurisdiction over the production and distribution of oil will be invited to participate in the sessions planned for the week of October 5.

Representatives of the armed services, both the Army and the Navy, will tell of the demand for petroleum. Representatives of Secretary Ickes and the Office of Petroleum Coordinator, of Leon Henderson and the Office of Price Administration, of Donald Nelson and the War Production Board, and of Joseph Eastman and the Office of Defense Transportation have been invited to participate.

The Senator from New Mexico [Mr. HATCH] and I have also discussed the problem with William R. Boyd, Jr., president of the American Petroleum Institute; with Russell B. Brown, general counsel of the Independent Petroleum Association of America; with Robert E. Allen, Assistant Deputy Petroleum Coordinator; and others. The American Petroleum Institute, as well as the Independent Petroleum Association of America and other organizations interested in petroleum, are expected to participate. The following outline has been prepared for the hearings:

I. Growing need for petroleum supplies to carry on the war: Testimony by representatives of the War and Navy Departments.

II. Sources of petroleum:

- (a) Exploration for new deposits.
- (b) Development and preservation of present reserves. Geological Survey and industry estimates of unproven oil lands.
- (c) Coal as a source of petroleum through hydrogenation. Bureau of Mines—Cost and availability of processing.
- (d) Shale as a source of petroleum through hydrogenation. Bureau of Mines—Cost and availability of processing.

III. Methods of stimulating search and production:

- (a) Incentives by way of royalty reduction on public domain.
- (b) Incentives by way of price modification.
- (c) Incentives by way of protection of labor supply.
- (d) Handicaps of operators.

IV. Organization of Government authority:

- (a) Jurisdiction of armed services.
- (b) Jurisdiction of the Office of Petroleum Coordinator.
- (c) Jurisdiction of the Office of Defense Transportation.

77TH CONGRESS
2^D SESSION

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 22 (legislative day, SEPTEMBER 21), 1942

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BUTLER to the joint resolution
(S. J. Res. 161) to aid in stabilizing the cost of living,
viz:

1 On page 7, between lines 19 and 20, insert the following
2 new subsection:

3 “(c) In the case of corn and wheat, notwithstanding the
4 foregoing provisions of this section, loans at the rates provided
5 in subsection (a) shall be made only if the President deter-
6 mines that loans at such rates will aid in the effective prose-
7 cution of the war. If loans on corn and wheat are not made
8 at the rates provided in subsection (a), loans on such com-
9 modities shall be made at the rates otherwise provided by law.”

AMENDMENT

Intended to be proposed by Mr. BUTLER to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

SEPTEMBER 22 (legislative day, SEPTEMBER 21), 1942

Ordered to lie on the table and to be printed

77TH CONGRESS
2D SESSION

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 22 (legislative day, SEPTEMBER 21), 1942

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BALL to the joint resolution
(S. J. Res. 161) to aid in stabilizing the cost of living,
viz:

1 On page 4, line 14, after the words "SEC. 4." insert
2 "(a)".

3 On page 5, after line 6, insert the following new sub-
4 section:

5 "(b) Except as hereinafter provided, no employer shall
6 increase the salary or the straight-time hourly wage rate of
7 any of his employees unless such increase has been approved
8 by the President or such agency as he may designate to ad-
9 minister this subsection. No increase in salaries or in
10 straight-time hourly wage rates above those being paid by

1 the employer for the same general work on September 15,
2 1942, shall be so approved unless such increase (1) does not
3 raise such salaries or straight-time hourly wage rates more
4 than 15 per centum above the average salaries or straight-
5 time hourly wage rates for the same general work prevailing
6 in the affected industry on January 1, 1941, or (2) is found
7 by the President or such designated agency to be necessary
8 to correct gross inequities or to maintain or increase essential
9 production. This subsection shall not apply in the case of
10 (1) any salary increase which does not increase the salary
11 of the affected employee to an amount in excess of \$5,000
12 per annum, (2) wage increases which do not increase
13 straight-time hourly wage rates of affected employees to an
14 amount in excess of 60 cents per hour, (3) wage increases
15 which affect fewer than 25 employees of a particular em-
16 ployer, or (4) any salary or wage increase which com-
17 pensates the affected employee for added responsibility or
18 added work resulting from a promotion. The President or
19 such designated agency shall define the conditions under
20 which such approval shall be required in the case of salaries
21 or wages paid to new employees by an employer."

77TH CONGRESS
2d Session

S. J. RES. 161

AMENDMENT

Intended to be proposed by Mr. BALT to the
joint resolution (S. J. Res. 161) to aid in
stabilizing the cost of living.

SEPTEMBER 22 (legislative day, SEPTEMBER 21), 1942
Ordered to lie on the table and to be printed

77TH CONGRESS
2^D SESSION

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 22 (legislative day, SEPTEMBER 21), 1942

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WILEY to the joint resolution
(S. J. Res. 161) to aid in stabilizing the cost of living, viz:
On page 6, after line 18, insert a new paragraph , to read
as follows:

- 1 *“Provided, That there shall be no discrimination in the*
- 2 administration of the benefits of the Emergency Price Control
- 3 Act on account of race, creed, or color and in the membership
- 4 of rent, price, and rationing boards.”

77TH CONGRESS
2d Session

S. J. RES. 161

AMENDMENT

Intended to be proposed by Mr. Wiley to the
joint resolution (S. J. Res. 161) to aid in
stabilizing the cost of living.

SEPTEMBER 22 (legislative day, SEPTEMBER 21), 1942
Ordered to lie on the table and to be printed



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PROCEEDINGS AND DEBATES OF THE 77th CONGRESS, SECOND SESSION

Vol. 88

WASHINGTON, TUESDAY, SEPTEMBER 22, 1942

No. 160

Senate

(Legislative day of Monday, September 21, 1942)

The Senate met at 12 o'clock noon, on the expiration of the recess.—

Rev. John Compton Ball, D. D., pastor, Metropolitan Baptist Church, Washington, D. C., offered the following prayer: "Lord, Thou hast been our dwelling place in all generations.

"Before the mountains were brought forth, or ever Thou hadst formed the earth and the world, even from everlasting to everlasting Thou art God."

And in our humility we are ready to cry with the Psalmist:

"When we consider Thy heavens, the work of Thy fingers, the moon and the stars, which Thou hast ordained;

"What is man, that Thou art mindful of him? and the son of man, that Thou visitest him?"

But we thank Thee that the Psalmist adds "Thou hast made us but a little lower than Thyself and crowned us with glory and honor"—glory in that we bear Thy divine image and honor in that we can think Thy thoughts after Thee. So today, with this trust in Thee, we come pleading for divine guidance and direction in all deliberations and any decisions that may be reached. Bestow on us Thy wisdom. Help us to so live within the confines of Thy will that our work shall prosper and Thy name be glorified. And when the evening shadows fall may we have the consolation that we have done our best for the uplift of character, the help of our fellow men, and the bringing of peace to a storm-tossed world.

In the name of Thy Son, Jesus Christ. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, September 21, 1942, was dispensed with, and the Journal was approved.

TRIUMPH OF DEMOCRACY IN SWEDISH ELECTIONS

Mr. THOMAS of Utah. Mr. President, I cannot at this time refrain from making a comment or two in regard to a very significant and very important action which took place in Sweden yesterday.

In that great neutral democracy in the northern part of Europe an election was held in which every Nazi candidate for election in the councils of Sweden was defeated. Democracy rode triumphant in the election, and democracy now stands in the councils of Sweden in the proportion of about 21 to 1.

The Communist Party out of sympathy with the brave stand of the patriots of Russia, gained seats. That is a sign which will be welcome to all liberty-loving people at this time.

Mr. President, when one conceives the situation Sweden is in, surrounded as she is by single-will states, standing out alone in her respect for elections in accordance with true democratic processes, one marvels at the power of the institution of democracy. When one realizes the effect of the election upon the people throughout the world one cannot help but realize that there is justice in the world and that there is an understanding of right and wrong in government on earth.

This good news will afford gratification to hundreds and hundreds of thousands of Scandinavian people in America, who came to America because they loved American institutions, who were, in a sense, Americans before they left their native country.

This message of an election in a democratic country in northern Europe at this time will cause consternation in the minds of our enemies. There can be no doubt about that. One of our enemies, Japan, for example, enjoyed for some 40 or 50 years the blessings of democracy. She is an apostate nation today, but we may hope that reformation will set in. We may also hope that the people of Germany too, will see the light. The news from Sweden will be an encouragement to those people who are seeking light in that benighted land at the present time. This brave election should make the people of Italy thoughtful about the loss of their rights which were theirs under their constitution which is now shelved by the Fascists.

China, striving as she is to retain her democracy, will take heart and gain strength, realizing that she stands not alone.

England, our ally and the other members of the United Nations, realizing that ultimately a new world can rise only upon the democratic processes, will be assured that her neutral friend may remain neutral but will not be neutral when it comes to a matter of democracy.

Mr. President, I ask unanimous consent that the Associated Press dispatch from Stockholm giving a brief account of the result of the Swedish elections be made a part of my remarks.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

SWEDISH NAZIS LOSE THEIR ONLY SEATS IN COUNCILS

STOCKHOLM, September 21.—Swedish Nazis lost their only 5 seats and Communists won 39, a gain of 17, in Nation-wide town and country council elections yesterday, a tabulation of returns showed tonight.

The dominant Social Democratic Party lost 34 seats, but still maintained its overwhelming majority with a total of 829. Conservatives were next with 266, losing 15; the Farmers Party 212, a gain of 36, and the Liberals 170, an increase of 7.

The Germans pounced upon the Swedish elections as a cue for the most violent outburst yet in their current propaganda campaign against Sweden, which the Nazi foreign office has called the Communist center of Europe.

(The Berlin radio asserted, "This development will have to be carefully watched by European powers fighting against the common Bolshevik enemy.")

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore [Mr. CHANDLER]. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Burton	George
Andrews	Butler	Gerry
Austin	Byrd	Gillette
Bailey	Capper	Green
Ball	Caraway	Guffey
Bankhead	Chandler	Gurney
Barkley	Chavez	Hatch
Bilbo	Clark, Idaho	Hayden
Bone	Clark, Mo.	Herring
Brewster	Connally	Hill
Bridges	Danaher	Holman
Brooks	Davis	Johnson, Calif.
Brown	Downey	Johnson, Colo.
Bunker	Ellender	Kilgore

La Follette
Langer
Lee
Lodge
Lucas
McCarran
McFarland
McKellar
McNary
Maloney
Maybank
Mead
Millikin
Murdoch
Murray
Norris

Nye
O'Daniel
O'Mahoney
Overton
Pepper
Radcliffe
Reed
Reynolds
Rosler
Russell
Schwartz
Shipstead
Smith
Spencer
Stewart
Taft

Thomas, Idaho
Thomas, Okla.
Thomas, Utah
Tobey
Truman
Tunnell
Tydings
Vandenberg
Van Nuys
Wagner
Wallgren
Walsh
Wheeler
White
Wiley
Willis

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] is absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW], the Senator from Mississippi [Mr. DOXEY], the Senator from Virginia [Mr. GLASS], and the Senator from New Jersey [Mr. SMATHERS] are necessarily absent.

Mr. McNARY. The Senator from New Jersey [Mr. BARBOUR] is necessarily absent.

The ACTING PRESIDENT pro tempore. Ninety Senators have answered to their names. A quorum is present.

DISPOSITION OF EXECUTIVE PAPERS

The ACTING PRESIDENT pro tempore laid before the Senate a letter from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents in the files of the Departments of the Navy and Interior, National Housing Agency, and the Federal Security Agency which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking toward their disposition, which, with accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS

Petitions were presented, and referred as indicated:

By Mr. BONE:

A petition of sundry citizens of Seattle, Bellingham, and vicinity, in the State of Washington, praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. CAPPER:

A petition bearing the signatures of 126 members of the Shawnee County Woman's Christian Temperance Union, of Topeka, Kans., praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

REGULATION OF WAGES, AND FARM AND OTHER PRICES—LETTER FROM GEORGE W. HOOD UNIT, NO. 91, AMERICAN LEGION AUXILIARY, WASHINGTON, KANS.

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a letter in the nature of a petition received from George W. Hood Unit, No. 91, American Legion Auxiliary of Washington,

Kans., urging the enactment of legislation covering all prices. I am in accord with the petition or resolution adopted by this group for protection against wartime inflation.

There being no objection, the letter in the nature of a petition was ordered to lie on the table and to be printed in the RECORD, as follows:

WASHINGTON, KANS.,
September 18, 1942.

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR Mr. CAPPER: The George W. Hood Unit, No. 91, American Legion Auxiliary, of Washington, Kans., wish to request you to enact legislation covering all prices (including wages and farm products) and thus protect our Nation against further ravages of wartime inflation.

Yours sincerely,

Marjorie W. Smith, Elizabeth L. Clasen,
Ida Mae Wohlgemuth, Blanche Zimmerman, Faith E. Soller, Eva W. Astatina, Blanche Darby, Ida Soller, Mary M. Chedester, Lila Wayland, and Minnie Sampson.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CLARK of Missouri, from the Committee on Inter-oceanic Canals:

H. R. 6196. A bill to amend the Canal Zone Code in relation to the control of marihuana; without amendment (Rept. No. 1611).

By Mr. TAFT, from the Committee on Education and Labor:

S. 2725. A bill to increase by \$600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended; without amendment (Rept. No. 1612).

By Mr. WHEELER, from the Committee on Interstate Commerce:

S. Res. 270. Resolution to supplement compilation of Federal laws regulating carriers subject to the Interstate Commerce Act (submitted by Mr. TYDINGS on June 30, 1942); without amendment (Rept. No. 1613).

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

BILL INTRODUCED

Mr. WALSH introduced a bill (S. 2795) to amend the act approved July 24, 1941 (34 U. S. C., Sup. I, 350f), so as to adjust the pay status of enlisted personnel appointed to commissioned rank for temporary service, and for other purposes, was read twice by its title and referred to the Committee on Naval Affairs.

STABILIZATION OF THE COST OF LIVING—AMENDMENTS

Mr. BALL, Mr. BUTLER, and Mr. WILEY each submitted an amendment intended to be proposed by them, respectively, to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, which were severally ordered to lie on the table and to be printed.

SPECIAL COMMITTEE TO INVESTIGATE MANPOWER RESOURCES OF THE UNITED STATES

Mr. PEPPER submitted the following resolution (S. Res. 291), which was referred to the Committee on Education and Labor:

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is hereby authorized and directed to make a full and complete study and investigation, in cooperation with the Manpower Commission and any other agency or agencies, public or private, it might see fit to consult, of the manpower resources of the United States, and how such manpower resources should be employed to the best advantage in agriculture, industry, the armed services, and other activities so as consistently with the spirit of our institutions and the national emergency best to promote the war and victory for our cause. The committee shall report to the Senate, as soon as practicable, the results of its study and investigation, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-seventh and succeeding Congresses, to employ such clerical and other assistance, to require by subpoena, or otherwise, the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to make such investigations, to administer such oaths, to take such testimony, and to incur such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$10,000, shall be paid from the contingent funds of the Senate upon vouchers approved by the chairman of the committee.

ADDRESS BY SENATOR TUNNELL BEFORE DELAWARE STATE DEMOCRATIC CONVENTION

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address delivered by Senator TUNNELL before the Democratic State convention at Dover, Del., on September 1, 1942, which appears in the Appendix.]

ABOLITION OF STATE POLL TAXES—STATEMENT BY HON. ABRAM P. STAPLES

[Mr. BYRD asked and obtained leave to have printed in the RECORD a statement by Hon. Abram P. Staples, attorney general of the State of Virginia, before a subcommittee of the Senate Judiciary Committee concerning the constitutionality of Senate bill 1280, relating to State poll taxes, which appears in the Appendix.]

TAXING THE SOLDIERS—EDITORIAL FROM THE WASHINGTON STAR

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an editorial from the Washington Star of September 20, 1942, entitled "Taxing the Soldiers," which appears in the Appendix.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. Frank H. Buck, late a Representative from the State of California, and transmitted the resolutions of the House thereon.

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

The ACTING PRESIDENT pro tempore. The clerk will state the pending amendment.

The CHIEF CLERK. On page 2, line 12, after the word "direct" and the semicolon, it is proposed to strike out "and may suspend any provisions of law relating to the establishment or maintenance of prices, wages, or salaries which are inconsistent with the purposes of this joint resolution" and to insert "The President may suspend the provisions of sections 3 (a) and 3 (c) of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this joint resolution, but he may not under the authority of this joint resolution suspend any other law or part thereof."

THE BIGGEST THREAT TO OUR WINNING THE WAR

Mr. WILEY. Mr. President, I desire to speak to the pending joint resolution. There are those who say that the joint resolution is a fraud and a delusion, and from their side make out a pretty good case by statistics. However, the President asked for it. This is war. There is disagreement as to whether the President, as Commander in Chief, has the power without the enactment of the joint resolution to exercise the powers mentioned in the joint resolution. I am not discussing that phase of the subject at this time. I say, Mr. President, that the war situation is so serious that we should cut the argument and settle the matter by conferring the power.

This morning I was reading in the morning Post an article by Allen W. Maddren entitled "Aspects of Total War." I wish at this time to put into the RECORD a very short table Mr. Maddren includes in his article, showing the percentage of vital materials possessed by the Axis before the war and what the Axis has at this time.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Axis pre-war	Axis now, per- cent
Copper.....	5	10
Lead.....	7	22
Zinc.....	16	27
Tin.....	1	72
Manganese.....	2	30
Chrome.....	3	30
Tungsten.....	6	60
Rubber.....	0	95

Mr. WILEY. Mr. President, I also wish to place in the RECORD at this point something which seems rather peculiar, perhaps, to be offered for the RECORD, an advertisement which appears in the United States News of the issue of September 25 entitled "It Is Later (and Worse) Than You Think." In my opinion, this is a very fine contribution to a realistic picture of what we are facing in this global war. I ask permission to have the article inserted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the United States News of September 25, 1942]

IT IS LATER (AND WORSE) THAN YOU THINK

Wishful thinking is an American habit. Another name for it is "kidding ourselves." Ordinarily it isn't serious. But this time it can cost us our lives.

"This country has never been beaten in all its 166 years."

Japan has never been beaten in its 2,000 years.

"They can't get at us, 3,000 miles away."

Japan got to Burma 3,600 miles away—and conquered it.

"Anyway, we're pouring it out of our factories."

But Germany has been doing just that for 10 years—and at a faster rate per man than we have yet reached.

"Our boys are brave."

You bet they are. But they're up against fanatics, who are experienced campaigners.

"Our Allies will hold until we get there."

Singapore, Philippines, Pearl Harbor, Burma—and now Libya.

"The Government is handling the war."

Who is the Government except you? And if you don't do your part, don't blame the Government when you slave for Jap and German masters at starvation wages with no rights and no liberties.

"But I can't give up my rights."

No? Our soldiers have. Most managers have. Almost all owners have. And unless everyone gives up every "right" that slows war production the Jap and German will take your rights—every one of them—forever.

"Anyway, what can one man do?"

What if all the other 130,000,000 Americans felt the same? If you do, they have a right to. And too many do. Nobody else is going to win this war for you. You win it—or you lose it. And if you lose it, you and your family will pay for it in agony and starvation the rest of your lives. Ask the Poles, the Czechs, the French.

And this war is nearer to being lost than you think. That isn't pessimism—it's only looking the facts in the face. Work by you can save it. But—there isn't much time to get busy.

WARNER & SWASEY,
Turret Lathes, Cleveland.

Mr. WILEY. Mr. President, as I have said, the war situation is so serious we should cut out the argument and settle the matter by conferring the power desired. However, the joint resolution, and the discussion of it, have continued the smokescreen which has been too apparent in this country, the object of which has been to cover up the incompetence in the preparations for war, and the incompetence on the Washington front in carrying on the war.

When the joint resolution shall have been enacted into law, unless the administration and its advisers do more than they have done in the past, it will just be another opportunity to "pass the buck."

Two terrible wrongs have been done in this whole matter. What are those wrongs?

First, Congress has been smeared, called hesitant, inadequate, political-minded, and so forth. Why this procedure in war time? Who is in complete command under the Constitution? Who built our bureaucracy up to over 2,200,000?

Second, the farmer has been misrepresented and likewise smeared. Many a

writer and commentator under orders has filled his column and radio talks with the rottenest kind of sabotage, maligning one of the hardest working and most loyal segment in America—the farmer.

Mr. President, when we approach the problem must we always look for someone to crucify? Are we always going to permit the loose-thinkers, the men who fail in the performance of their duties, to put the blame on others? "Passing the buck" should be outlawed for the duration.

In the price-fixing bill we gave the President the power to operate when products went above 110% of parity. Was action taken? No. The increased cost of labor on the farm was not even considered then, but the farmers carried on magnificently—father, mother, and kids, little kids not in their teens. And there is no mandatory provision concerning that item now in the pending measure.

This brings me to the subject of these remarks—"the biggest threat to our winning of the war". While we talk, farms are going out of production, dairy cattle are being slaughtered for beef, and there is a diminishing number of feeders in the feed lots, which means less foods for ourselves, our army, and our allies. That's why the government has been talking about rationing—more rotten results because of incompetence. It is the result of mere dumbness—not in Congress, but in our administrative branch of government. There is no understanding of the real situation; more starchy-eyed theorists in the picture, instead of practical men who know the realities of the farm picture—dairying and beef raising.

We know the letter and intent of the Conscription Act has been violated in removing necessary labor from the farms.

We have taken men from the food-production line by extravagant wages and placed them in the war plants. Two million men have been taken from the farms.

Government has turned the whole farm-economy picture upside down. That would not be so disastrous if it did not result in less production of food—the most needed "ammunition" in the winning of the war. Tragedy is almost on us, and to avert the consequences of an unrealistic approach to this problem, we must not delay another day. We must act now.

Mr. President, a few days ago I telegraphed a very distinguished citizen of our State, Dean Christensen, one of the fine outstanding agricultural leaders of this Nation. I wish to read from a letter I received from him. I think the Members of this Body could well pause in their talk and listen to what a great farm leader of the Nation says. I read from the letter:

The current confusion as to what the Government will do on farm prices needs to be cleared up because farmers cannot with certainty make plans for next year when they do not know what the prices are likely to be for the products which require months to produce.

When we say that land is being used less intensively we mean that thousands of farmers who in the past have kept dairy

cows are considering selling a part or all of their dairy herd so as to reduce the labor requirements to the greatly lessened labor supply available on their farms. This, of course, will mean that much of the grain which they normally raised and fed to dairy cows and converted into butter, cheese, and evaporated milk will next year be sold for cash grain or fed to animals like beef cattle or hogs, that require less labor.

Many farmers will be forced to seed to grass acres that normally produce corn and small grains.

Mr. President, I call particular attention to this statement in the letter:

There is every indication that when the pasture season is over thousands of dairy cows that would ordinarily be put into barns will be sold for slaughter because of shortage of labor to take care of them during the months ahead and the uncertainty with respect to future prices.

There is also a disparity between returns from milking cows and producing other important foods.

The largest number of farm sales of livestock and personal property for a generation are taking place.

Think of that, Mr. President. There are now occurring the largest number of farm sales of livestock and personal property for a generation.

Many auctioneers have schedules which will fill every working day until snow flies and are now refusing to take on additional sales.

There are two classes of farm operators that are holding these sales of personal property:

And this is truly a picture of the condition in the State, and, I take it, throughout the whole Middle West—

(a) Young farm operators who have been drafted or who are uncertain about the future on the basis of what they are reading in the newspapers are selling their personal property now while prices are relatively good and also because of their uncertainty as to whether or not they will be given occupational deferment. For instance, just last Thursday a group of farmers came into our office and told us of a young man who had been farming in their community for 5 or 6 years. He has a good herd, good equipment, and is a very efficient operator and producer of the foods needed for the armed forces and on lease-lend. This man has just been notified by the local draft board that he will be called in the very near future and he is under the compulsion to sell off his livestock and equipment. This man was married in December 1941, but does not expect deferment on a basis of his marital situation. But his case does clearly raise the question as to whether Selective Service is going to be willing to recognize any case of occupational deferment on a basis of a man's need in food production. If such deferment is given, it would seem to me that a case such as I have described would clearly deserve consideration.

We have been informed that in one community in this State in a radius of 7 miles 11 farm operators have already been inducted into the service.

(b) Many sales are being held by older farmers who have been unable to continue to operate the farm with its present complement of livestock and equipment in the light of the restricted supply of competent and experienced farm labor, and here I refer to not just hired men, but sons and sons-in-law who have actually carried the load of operating the farm, although the title is in the hands of the old folks.

Mr. President, the writer continues:

The farm situation is already critical and is rapidly getting worse. The most serious aspect of this is the policy of the local boards in putting men in L-A classification who are actually farm operators, not just hired men. Hundreds of Wisconsin farm operators who have demonstrated their ability to produce large quantities of the products which the Government has put on the priority list are being inducted into the service. We consider as a farm operator not only the man who has title to the land, or is operating the farm under a lease, but also the thousands of instances where the older generation on the farm is absolutely dependent upon a young son or son-in-law to carry on the actual operation of the farm, although the owner may live on the land and legally be classified as the operator. When this son or son-in-law is drafted the old folks have little choice but to sell off a part or all of the personal property so as to be able to operate the farm on a reduced basis. It is within this class where many of the farm sales are arising today.

Many experienced farm operators and competent farm laborers have left the farms for the armed service and urban war industries. This situation has already resulted in a reduction of dairy herds and started a reduction of milk production which is bound to continue, in fact will be accelerated under current Selective Service policies and uncertainty as regards future prices.

Mr. President, if Government officials cannot see this picture and help, then I say to the people of America that the rest of us Americans must tend to the "help-starved" farmer problem.

I believe the men and the women in the farm States who are not farmers will have to solve this problem. We, the people, are awakening in this war—and it is our war, and we will have to pay the price in lives and sacrifices. We are awakening to the fact that we cannot depend upon Washington for things we should depend upon ourselves to do. The wizardry of Washington is all bunk. The people at home have plenty of intelligence and are public-spirited enough to do this job, and the job is to provide farm help.

Mr. President, it may mean that businessmen and office helpers will have to become farm helpers. Soil has to be prepared and seed planted, crops cultivated, and crops harvested—not left to rot or be killed by weeds.

It may be that high-school and college boys and girls will have to be excused during certain seasons. In Great Britain there are 100,000 tractorettes running the farms of Britain.

Right now bumper crops are in evidence in certain sections of the country, and the "help-starved" farmers must have reinforcements at once if we are to defeat the enemy. The home food front must be maintained.

If the President can, under this measure—and I hope he can and will—take action to aid in averting the pending collapse of the production of beef and dairy food products, we may yet partially undo the damage done under foolish and incompetent administrative actions.

We need not indulge in personalities, but, Mr. President, the seriousness of the situation has compelled me to speak as

I have and call a spade a spade. We must awake to our responsibilities to the Nation—not especially to the farmer but to the Nation—and see that the food plants of America—the farms—are given priority in manpower and machinery to do the job.

I repeat, if we fail, we lose the war. Let us put some brains into this picture. Our job is to see that men of awareness are in the saddle—not impractical idealists, not mere theorists. A great leader on another important occasion when we were meeting a great crisis said:

We are defeated, but there is time to turn defeat into victory.

Mr. President, when we stop and reason we know that victory must be ours, but we cannot win through to that end unless we reverse our present policy and get the food plants of the Nation—the farms—in full operation by providing manpower and machinery, and that cannot be done under present Washington administrative technique. For too many years now we have been leaning on Washington. Much of the moral courage of the people has been sabotaged by that technique. Let us get back the old American spirit of dependence on self. The pioneer spirit of our fathers is our inheritance. I have no hesitation in saying that, in my judgment, the measure now before us will not control inflation. In fact, if we keep on reducing the quantity of food, it will only tend to increase inflation. It will not control inflation because of two factors:

First. Any control program to be effective must be coupled with a tax bill which will reduce the vast purchasing power of America where that purchasing power has been most increased and not curtail production of food.

Second. The pending measure will not completely control inflation because it neglects to consider a fundamental economic lesson, namely, that curtailed production coupled with an expanded market means higher prices and inflation.

I am in wholehearted and complete accord with the objective of controlling inflation, but it cannot be denied that the best method of controlling inflation is to have a completely adequate production. In other words, there is no inflation in places where there is an ample supply; where the supply exceeds or equals the demand, there will be no inflation. The pressure for inflation comes when the demand greatly exceeds the supply. Restriction means bootlegging, black markets, and law violation. That is plain elementary economics.

Mr. President, yesterday the distinguished junior Senator from Michigan [Mr. Brown], gave us the financial picture. He told us in substance that there would be an economic pressure toward inflation of between \$18,000,000,000 and \$20,000,000,000; and yet, in spite of that, our administrative officers have not seen what they are doing when it means curtailing production, putting farms out of operation, permitting dairy cattle, as the dean of the school of agriculture in my State said, by the thousands, to be put upon the beef block.

Mr. President, we have heard almost every conceivable type of statistics on this question. It perhaps would serve little purpose for me to give additional statistics. This much is certain, however, without the benefit of any statistics. In my State, where the dairy farmers are reputed to be making such vast fortunes, dairy farms are being foreclosed and other farms are being sold because of a serious labor shortage and milk cows are sold for beef. Farm sales and labor shortage result from two factors:

First. The competitive wages offered by Government in its war project—and, Mr. President, do not forget that Government war projects pay the farmer who leaves his farm a great deal more than he can make on the farm; and

Second. The loss of farm manpower because of the demands of the Selective Service System.

Mr. President, it is a little difficult to understand why so many farms are being sold, by those who no longer make a living on them, and why so many herds of cattle are being sold, if the dairy farmer is making such a tremendous profit as many persons would have us believe. It is about time that some persons who speak and write on that subject quit sabotaging that segment of our society, and acquire a little horse sense, and understand the picture.

Dairy products represent 25 percent of the total farm income of the Nation. The dairy cow is a milk factory requiring both labor and raw material, or feed, which must be paid for. The dairy farmer operates on an 80-hour week, and he gets no time and a half, and he works on Sundays and holidays also.

In 1941 the farm population was 22.5 percent of our total population. That segment of almost 23 percent received 8 percent of the national income. Think of it!

Mr. President, I should like to insert in the RECORD at this point a letter which I recently received from a typical dairy farmer. I shall not take the time to read it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DOYLESTOWN, WIS., September 14, 1942.
ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: * * * We have 255 acres of land for which we paid \$23,000, and we have about \$6,000 or \$7,000 of personal property. As everyone knows, our earnings were less than nothing from 1930 to 1937. Machinery wore out, fences and buildings were run down, and general disrepair occurred. We do general farming, having some cows and beef cattle, some hogs and sheep.

Our gross income was \$1,985 in 1933 and gradually went up until we received a net profit of \$2,067.75 in 1941, the first year we paid any income tax. We allowed \$90 per person for food raised on the farm, or a total of \$270. Owing to weather conditions, our income will not be as high this year as last.

In 1941 we had expenses divided as follows:

Labor.....	\$650
Feed.....	200
Seed.....	75
Machine hire.....	150
Repairs.....	650
Fertilizer.....	67
Veterinary.....	25

Fuel.....	95
Taxes.....	334
Insurance.....	50
Interest.....	485
Electricity and telephone.....	125
Trucking.....	200
Miscellaneous.....	75
Total.....	3,181

Deductions on buildings.....	225
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Total.....	3,406
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As most things are higher this year and our income will probably be less, our earnings for my wife and me will be between 21 to 26 cents per hour. Last year our earnings were about 28 cents per hour, figuring 80 hours per week, and some weeks we work more hours than that.

Now if I add the earnings of my hired help to that of ours, we would have less than \$3,000. Take \$650 for hired help, deduct necessary living expenses for ourselves, new equipment which we must have to meet the existing conditions, and we do not have much left. So if farm prices are lowered, many of us would be forced out of business and after the existing emergency we would all be forced to quit.

Now take the man in war plants earning \$6 to \$10 per day. Three hundred days at \$8 per day he would have \$2,400 and most of them are earning more than that. Allow him \$600 for transportation and rent, and he has left \$1,800, or more than we get by having both my wife and me work. If prices are lowered the difference would be even greater.

Very truly yours,

CARL J. BAHR.

Mr. WILEY. Mr. President, it will be noted in this letter the wage scale for the farmer—the amount he earned—was 28 cents an hour. It will be noted also in his statement he took no depreciation on personal property. It will also be noted in the statement the farmer allowed \$90 per person for food—food raised and consumed on the farm.

Mr. President, the dairy farmers of the Nation have proved their patriotism by exceeding every quota which was requested, despite the necessity of an 80-hour workweek. The operators and employees of dairy plants have worked day and night, and have switched their production to suit the changing requirements of the lease-lend program and shipping facilities; and yet there have been no dairy strikes.

In conclusion, Mr. President, I wish to emphasize that I do not approve the joint resolution in its entirety. I regret that the proposal to incorporate the item of farm-labor cost in the measure was rejected by the President and not put in the joint resolution as a mandatory provision. I hope we shall have an opportunity later to vote on that question.

At this point in my remarks I desire to introduce into the RECORD a resolution adopted by the Wisconsin Council of Agriculture, at a meeting held in Madison, Wis., on September 19, 1942.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The following resolution was adopted by the Wisconsin Council of Agriculture at a meeting held in Madison on September 19, 1942:

"In view of pending legislation designed to freeze farm prices in the face of an ever-increasing shortage of farm labor, and in the

face of almost certain increases in agricultural costs, the Wisconsin Council of Agriculture is convinced that:

"Agricultural production is seriously threatened, because:

"1. Present ceiling will be difficult if not impossible to maintain because present costs have not yet been fully reflected in wholesale and retail prices. The council is certain that this is true in regard to farm costs.

"2. The increasing shortage of farm labor due to industrial wages wholly out of proportion to the farmers' ability to pay.

"3. The induction into the armed forces of irreplaceable skilled agricultural workers so essential to the maintenance of agricultural production.

"4. The dairy, poultry, and livestock branches of farming do not lend themselves to reduction of manpower through further mechanization. Hand labor must still be used in the livestock industry in heaping measure.

"Efficient and bountiful agricultural production is basic to the successful prosecution of the war, which requires an adequate food supply for our armed forces, our allies, and the domestic civilian population. Armed forces and factory employment in proportions now contemplated cannot possibly be maintained without full agricultural production.

"In order to fulfill this task, agriculture must be granted an equality of opportunity to produce. Farmers demand only prices sufficient to cover farm costs, and a minimum of manpower to perform essential tasks."

Mr. WILEY. Nevertheless, and despite the fact that the joint resolution omits the vital factor of farm labor, I recognize that we must have an inflation-control measure, first, because an attempt must be made to control the rising prices of commodities on the retail market. I recognize that the prices of food commodities on the retail market must be controlled.

Secondly, we must have an inflation-control measure because labor prices or wages must be controlled.

Thirdly, because so much has been said on this subject that the entire psychology of the country is geared to thinking that unless this bill is passed there will be an immediate runaway inflation, we must have some anti-inflation measure, even though it does not do the job.

In other words, even to those of us who disagree with the form of this measure, there is no alternative other than to subscribe to the broad objective of controlling inflation, however inadequately it may have been advanced in the pending joint resolution, and however misleading the arguments for its adoption may have been. We should seek to amend it to make it more complete.

Mr. President, it was my privilege to attend the hearings of the committee on the joint resolution. I am not a member of the Banking and Currency Committee, but I was in constant attendance on its sessions, and I learned much about the farm picture which I did not know. I believe that those of us who are on the consumers' side should seek to obtain an adequate picture of the great contribution which the farmer has made. He has been the great enthusiast in this war program. He and his wife and children have rushed into the breach and produced more than this Na-

tion ever produced before. Now we have taken away from him the ability to keep up that program. We consumers should join with the farmers and see to it that everything is done to keep up production.

It is my hope that this measure will be effective. I believe it can be made so if the Chief Executive will wisely use the discretionary powers proposed to be granted by the joint resolution, and administer it equitably and fearlessly, and provided the Government tackles at once the problem which I have outlined in relation to farm help, machinery, and feeding cattle.

Mr. President, I shall vote for the joint resolution, not because I completely approve the measure as it is drawn, but because there is immediate need for an inflation control measure of some sort, and immediate action along the lines I have indicated.

Mr. REED obtained the floor.

Mr. AUSTIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Kansas yield to the Senator from Vermont?

Mr. REED. I yield.

Mr. AUSTIN. I have listened with interest to the address of the distinguished Senator from Wisconsin [Mr. WILEY]. I agree with him in the recognition of the principle that the surest way to prevent inflation is to produce goods. I agree with him in the doctrine that in order to win the war our boys on the front lines must have food, clothing, and munitions; more than that, they must have the spirit which comes from the moral power of the people. I rise at this time to interrupt the distinguished Senator from Kansas only to put a caveat upon one interpretation of the Senator's remarks which occurs to me.

I would not have the character and status of the selective service system impaired by anything that Senators may say about it. In my opinion, that organization, particularly in the remotest branches of it, namely, the selective service local boards, is the most democratic and effective way of handling the extremely delicate and difficult problem of selecting men and maintaining a proper balance between those who are assigned to duty in combat service—that is, fighting men—and men who are deferred, or, as I interpret the law, selected for service on the farms and in industry. I believe that there is no better way to sustain the moral power of the people than to have this dangerous and delicate process handled by those who are close to the people, as are the local boards. At this time I wish to avoid any inference from my silence that I think that plan should be changed, or that the function of the Selective Service System should be reduced, or that it should be transferred to some other bureau.

At a later time I shall take the floor for the purpose of extending these remarks. I thank the Senator from Kansas for permitting me to make this caveat at this time.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. REED. I yield to the Senator from Wisconsin.

Mr. WILEY. Mr. President, I trust that I made myself clear when I stated that I do not think there is any need for indulging in personalities. Nor would I transfer to any other organization the power which Congress has given to the Selective Service System.

The other day the Senator from Connecticut [Mr. MALONEY] spoke in relation to the way the Selective Service was nonselective. The facts which I have put into the Record today clearly demonstrate, not that the local boards have not worked efficiently, but that the spirit of the act itself has not been observed. We should not take men who are imperatively needed on the home front, but should select others, who are needed in less degree on the home front. It is clearly demonstrable that what we have done is to take 2,000,000 men away from the farm front. As a result, the whole producing economy of the Nation is upset. Unless we awaken to that serious situation we shall find ourselves losing the war. That was the main point to which I spoke this morning.

Mr. AUSTIN. I thank the Senator for giving that interpretation of his remarks.

Mr. REED. Mr. President, along with other Senators, and most of the citizens of the country, I have read the President's message with a great deal of interest, and also some concern.

Last winter when we passed the so-called Price Control Act of 1942 the majority of the Members of this body desired to include a control over the largest single item of cost, namely, wages. We were deterred from writing such a provision into that act only by the influence of the President and his advisers. We now come to the point where our failure, because of pressure from the administration, is charged against us as negligence, and something for which we should be criticized.

There is another point in the President's message which very greatly concerns me, and that is the very clear inference—almost the direct charge—that the greatest immediate danger of inflation arises from what he terms uncontrolled farm prices. In the next half hour I shall try to demonstrate the utter fallacy of that argument.

Mr. President, it seems to me that the President has needlessly alarmed the country. Since Orson Welles invented the theory of an invasion from Mars, which disturbed many persons throughout the country, I can think of no hoax so groundless and so alarming as the charge that farm prices have unreasonably and unduly brought on a danger of inflation.

The President set up a contrast or a comparison, whatever one may wish to call it, between the farming class and the wage earners. For purposes of easy description we shall call them the industrial wage earners, as compared with the farmers, and I shall come back to that matter a number of times in the course of this discussion.

In order to get to the question clearly and to show the groundlessness of the President's intimation, I shall read from the latest official document from the Department of Agriculture, entitled "Marketing and Transportation—Situation, August 1942." On page 4 of the report I read the following paragraph:

The cost of the basket of all foods to the American consumers amounted to 22 percent of family income, while the cost of the 58 foods produced on American farms amounted to 17 percent of family income for each of the 3 months, May, June, and July 1942.

Let me explain that for a moment. The first statement as to the basket of all foods includes bananas, coffee, tea, and spices, articles which we do not raise in the United States. The 58 foods to which reference is made we do produce on American farms. In May, June, and July of this year all the foods took 22 percent of the family income. The 58 foods produced in this country took 17 percent.

I read again from the report:

These percentages were the same as for the year 1941.

In the report a comparison is made with an index base now used by the Department of Labor, namely, 1935 to 1939.

I read further from the report:

The average for 1935 to 1939 was 27 percent of income, representing the cost of all foods, and 22 percent, the cost of 58 domestic foods.

I quote further from the report, which is an official statement from the most recent official document of the Department of Agriculture:

Cost of food as a percentage of family income is thus smaller at present than before the war, since incomes have risen more than prices.

There is a complete official refutation of the President's intimation that food prices—farm prices, if you will—are the prime and immediate danger of inflation.

Having quoted from a report of the Department of Agriculture, I now shall quote from a report prepared by the Department of Labor. Again I refer to the most recent official document available from the particular Department referred to. In its press release on the subject of hours and earnings for July 1942, released only at the beginning of this week, the Department of Labor officially gives the following data as the cost of living and of wages:

From July 1941 to July 1942 the cost of living increased 10.4 percent. In the same period hourly wages increased 14.2 percent, and in the same period weekly wages increased 22.9 percent.

The larger increase in the weekly wage over the hourly wage is undoubtedly due to a longer workday, or perhaps a larger factor is the item of overtime payments. I do not know which; but I have given the facts from the most recent report, only 2 days old, from the Department of Labor.

Mr. President, the voice of the President of the United States carries far. He owes a duty to himself as well as to the people of this country and to any

important group to state all things fairly—and that the President has failed to do. He should not discriminate or favor or prejudice. He has prejudiced the case of the farmer and the food producer in the minds of the people of this country.

Let me say here that last winter I was one of the Senators who advised against inserting the factor of 110 percent of parity, for the very reason which has come to be so apparent in these days. It was easy to prejudice the farmer's case so long as that was there. I told my farm organization friends that I would vote with them. I agreed with the objective, but I was fearful of the method of attaining it. The use of that factor has prejudiced the farmer's case.

The President was very strong in his criticism of certain things. He held out the idea that limitations in the 1942 Price Control Act would produce inflation, that his hands were tied, that he could not control it. He even declared a dictatorship in this country, except that he graciously postponed the effective date of the dictatorship to the 1st of October, provided that the legislative body, created with equal powers under the Constitution, should in the meantime enact legislation in certain form.

I want now to refer to that phase of the situation created by the President. He definitely said in his message:

I ask the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities. The purpose should be to hold farm prices at parity, or at levels of a recent date, whichever is higher.

The only justification for the President's extraordinary language in an extraordinary message containing an extraordinary declaration and conveying an extraordinary degree of alarm to the country could be that something in the 1942 Price Control Act relating to farm prices and food prices was endangering the safety of the country. Let us see. I prefer to stick to the facts.

I obtained from the Bureau of Agricultural Economics, one of the most able economic statistical agencies in the country, some figures which are most illuminating. I ask unanimous consent to have the table containing the figures, prepared by the Bureau of Agricultural Economics, inserted in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Specified farm commodities, estimated 1942 farm marketings and alternative minimum ceiling prices

Commodity and unit	Estimated sales, 1942	Minimum ceilings		Estimated 1942 sales multiplied by—		Column (4) minus column (5)
		Under Emergency Price Control Act of 1942	Aug. 15 parity price or actual price whichever is higher ¹	Column (2)	Column (3)	
	Million units	Dollars	Dollars	Million dollars	Million dollars	Million dollars
Beef cattle, per hundred pounds.....	185	9.34	11.30	1,728	2,090	362
Hogs, per hundred pounds.....	167.5	12.16	14.13	2,037	2,367	330
Cotton, per pound.....	6,542.5	.2147	.1885	1,405	1,233	-172
Wheat, per bushel.....	780	1.478	1.344	1,153	1,048	-105
Eggs, per dozen.....	3,328	.349	.322	1,161	1,072	-89
Milk, wholesale, per hundred pounds.....	578	2.66	² 2.52	1,537	1,457	-80
Corn, per bushel.....	600	1.674	.976	644	586	-58
Butterfat, per pound.....	1,300	.448	.406	572	528	-44
Turkeys, live, per pound.....	557	.288	.219	160	122	-38
Veal calves, per hundred pounds.....	22	11.29	12.91	248	284	36
Cottonseed, per ton.....	5	50.36	44.04	252	220	-32
Chickens, live, per pound.....	2,100	.211	.196	443	412	-31
Potatoes, per bushel.....	260	1.241	1.154	323	300	-23
Lambs, per hundred pounds.....	22	11.12	12.07	245	265	20
Hay, all, per ton.....	10.5	19.84	18.04	208	189	-19
Apples, per bushel.....	115	1.61	1.46	185	168	-17
Rye, per bushel.....	35	1.203	.720	42	25	-17
Oats, per bushel.....	260	.667	.606	173	158	-15
Barley, per bushel.....	150	1.035	.941	155	141	-14
Rice, rough, per bushel.....	69	1.439	1.629	99	112	13
Beans, dry edible, per hundred pounds.....	18.2	5.77	5.12	105	93	-12
Milk, retail, per quart.....	2,650	.114	.118	302	313	11
Flaxseed, per bushel.....	40	2.83	2.57	113	103	-10
Wool, per pound.....	392	.371	.394	146	154	8
Peanuts, per pound.....	1,000	.0803	.0730	80	73	-7
Grain sorghums, per hundred pounds.....	25	2.02	1.84	50	46	-4
Sheep, per hundred pounds.....	5	7.58	6.89	38	34	-4
Sweet potatoes, per bushel.....	25	1.468	1.373	37	34	-3
Cowpeas, per bushel.....	3.7	2.61	2.37	10	9	-1
Buckwheat, per bushel.....	1.6	1.221	1.110	2	2	0
Soybeans, per bushel.....	177	³ 1.53	1.53	280	280	0
Total.....				13,933	13,918	-15

¹ If the Aug. 15 parity prices are reduced by the amount of Government payments per unit, the minimum ceiling prices in column (3) would be cotton, \$0.1803; wheat, \$1.11; corn, \$0.834; and peanuts, \$0.0724. This would reduce the total for column (5) by \$322,000,000.

² Preliminary.

³ 110 percent of comparable price.

Division of Statistical and Historical Research, Bureau of Agricultural Economics.

The farm commodities not listed in this table account for about \$1,000,000,000 of the total cash income from farm marketings. The estimates of 1942 sales were based on the August Crop Report.

Specified commodities: Estimated 1942 sales and United States average prices received by farmers, August 1942

Commodity	Estimated sales 1942	Farm price August 1942	Sales times August farm price
	Million units	Dollars	Million dollars
Beef cattle, per hundred pounds.....	185	11.30	2,090
Hogs, per hundred pounds.....	167.5	14.13	2,367
Cotton, per pound.....	6,542.5	.1803	1,184
Wheat, per bushel.....	780	.954	744
Eggs, per dozen.....	3,328	.322	1,072
Milk, wholesale, per hundred pounds.....	578	¹ 2.52	1,457
Corn, per bushel.....	600	.834	500
Butterfat, per pound.....	1,300	.403	524
Turkeys, live, per pound.....	557	.439	243
Veal calves, per hundred pounds.....	22	12.91	284
Cottonseed, per ton.....	5	44.04	220
Chickens, live, per pound.....	2,100	.496	1,041
Potatoes, per bushel.....	260	1.154	300
Lambs, per hundred pounds.....	22	12.07	265
Hay, all, per ton.....	10.5	8.89	93
Apples, per bushel.....	115	1.16	133
Rye, per bushel.....	35	.492	17
Oats, per bushel.....	260	.426	111
Barley, per bushel.....	150	.567	85
Rice, rough, per bushel.....	69	1.629	112
Beans, dry edible, per hundred pounds.....	18.2	4.45	81
Milk, retail, per quart.....	2,650	.118	313
Flaxseed, per bushel.....	40	2.26	90
Wool, per pound.....	392	.394	154
Peanuts, per pound.....	1,000	.0599	60
Grain sorghums, per 100 pounds.....	25	1.15	29
Sheep, per 100 pounds.....	5	5.62	28
Sweet potatoes, per bushel.....	25	1.373	34
Cowpeas, per bushel.....	3.7	1.87	7
Buckwheat, per bushel.....	1.6	.875	1
Soybeans, per bushel.....	177	² 1.53	280
Total.....			13,159

¹ Preliminary.

² 110 percent of comparable prices.

Division of Statistical and Historical Research, Bureau of Agricultural Economics.

The commodities not listed in this table account for about \$1,000,000,000 of the cash income from farm marketings. The estimated sales are based on data available from the August 1942 Crop Report.

Mr. REED. At the upper right-hand corner of the table is the date, "9-14-42"—September 14, 1942. The second column of the table is entitled "Minimum Ceilings Under Emergency Price Control Act of 1942"—that is to say, the figures appearing below the heading are the minimum ceiling prices which the Price Administrator can apply and comply with the Price Control Act of 1942.

In the fourth column is the aggregate of those prices applied to 1942 farm production. The aggregate amount of money, maximum, which the farmer could have received had ceilings been applied to every commodity by the Price Administrator at the limit contained in the law would have been \$13,933,000,000.

Now let me refer to the President's plan. A moment ago I read the language, and I shall repeat it. The President has a program which he wants to put into effect if Congress will let him do so. I read again from the President's message:

The purpose should be to hold farm prices at parity, or at levels of recent date, whichever is higher.

Column 3 of this table, Mr. President, is made upon that basis applied to the same commodities and in the same quantity as in the case of the other figures.

The aggregate of the various items is found in column 5 and is shown to be \$13,918,000,000. These are not my figures, if you please, but the figures of the Bureau of Agricultural Economics, which is one of the leading statistical agencies of the country whose integrity and whose intelligence nobody questions. The difference between the maximum that could be collected if the provisions of Price Control Act of 1942 were applied and what could be collected under the present program is \$15,000,000 on a basis of almost \$14,000,000,000. In other words, the difference between these two factors, arrived at in this way by one of the President's own departments and by one of the foremost statistical agencies of the country is one-tenth of 1 percent. I ask the Senate and the country, Does that much of a variation justify the extreme note of alarm which the President sounded in his message, which, if carried out in all its implications, would change the future history of this country as to its form of government?

Now let us go a little further.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. REED. Certainly.

Mr. VANDENBERG. I ask for additional information. In column 3 the figures represent either the parity price or the actual price, whichever is higher. Is there any way to indicate which is which in these figures?

Mr. REED. Certainly; and I want to say here I should be very glad to be interrupted at any time. I have lived several days and several nights with these figures, and am moderately familiar with them. I may say to the Senator from Michigan that if he will turn to column 6, on the same page, he will there find that all the items except nine have a minus sign in front of them. Those which do not have a minus sign are commodities which are above the level of prices under the Price Control Act of 1942.

The difference between column 4 and column 5 is set down in the sums stated in column 6. I do not know that I can make it any clearer. Does my statement carry an understanding to the Senator from Michigan?

Mr. VANDENBERG. I thank the Senator. I am still somewhat confused, which is probably my own fault. What I particularly wanted to know was whether the figures quoted in column 3 are parity or actual price, whichever is higher?

Mr. REED. Whichever is higher.

Mr. VANDENBERG. Which ones are higher?

Mr. REED. Beef, hogs, veal calves, lambs, rice, milk (retail), wool. Then down at the bottom are two which are not important in this discussion.

Mr. HOLMAN. Mr. President, may I ask if the Senator from Kansas has had the table put in the RECORD in order to illuminate his remarks?

Mr. REED. I asked for and received permission to put it in the RECORD.

Now I desire Senators who are following me to turn the page over. On the reverse side they will find a second page marked by red pencil "2." I ask that, in making up the RECORD, both sides of the page be printed, the side to which I have just referred is to be considered as page 1, and the side to which I am referring now as page 2.

Mr. President, the income for 1932 of the farmers of the United States will not, by any means, reach the sum incorrectly and unfairly intimated by the President of the United States under either of the programs, whether the Price Control Act of 1942 or his own.

I wish further to state there was a clear intimation in the President's language that the farmer was collecting or might collect unreasonable prices for his commodity.

Now I ask Senators to turn to page 2, which contains figures showing what the farmers are actually collecting. The table on what is called page 2 was prepared for me at my request. I wanted to compare the present current actual income derived by the farmers of the United States, first, with the President's criticism of the Price Control Act of 1942, and, secondly, with what the President suggests under his program. So this computation was made by the Bureau of Agricultural Economics in the same way as the other one. The left-hand column of figures on page 2—the columns are not numbered on that page—is headed "Estimated sales 1942—million units." It will be observed, by referring back to page 1, that the number of units of each commodity is the same as stated in the columns on page 1. In other words, here is applied the actual going price of August 15 to actual sales of the same units of the same commodities, to show what the farmer is actually getting and not what the President says he is getting or could get under the Price Control Act of 1942.

I doubt if there has ever been a greater injustice done to any important group of people in this country than has been done to the farmers or whether the welfare of any group has been more greatly prejudiced than has that of the farmers by the President's message and statement on September 7.

Now let me go ahead with the figures on page 2. There it is shown that the farmers of the United States, collectively, will not receive \$13,933,000,000, as the President said they could receive under the Price Control Act; they will not receive \$13,918,000,000, but they will receive \$13,159,000,000. That, Mr. President, is \$774,000,000 less than the amount inferred in the President's message. He laid great emphasis upon his program as against the program possible under the Price Control Act of 1942. Here are official figures to show the difference between these two programs is only \$15,000,000, or one-tenth of 1 percent; and yet nothing was said about the actual income of the farmers this year for their toil at the prices they are actually re-

ceiving, which is \$774,000,000 below the figures indicated for income under the Price Control Act.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. REED. I am glad to yield to the Senator from Montana.

Mr. WHEELER. One of the reasons for that is that the parity price of wheat would have been 134.4 cents, but, actually, the farmer is getting for his wheat at St. Paul and Chicago only approximately 95 cents, and, as a matter of fact, in Montana he is only getting about 85 cents.

Mr. REED. Let me suggest to the Senator from Montana—and I think he will agree with my statement—that I am talking about a fraud that has been perpetrated upon the American farmer and the American public. It is even worse than the Senator from Montana has indicated. One hundred and ten percent of parity would be \$1.47 a bushel for wheat; actual parity would be \$1.34—I am giving the figures from memory, but I think they are correct—but, Mr. President, the wheat farmer is selling his wheat for about 95 cents a bushel, and there is not any chance in the world for wheat to go up materially in price during the remainder of the present year.

Mr. WHEELER. Mr. President, if the Senator will pardon me further, wheat in western Montana is not selling for 95 cents. The plain truth about it, as I was informed by one of the dealers out there just before I left, is that the farmers did not have storage for their wheat, and, consequently, sold it; and the one who bought it paid him 85 cents for it, and that was all he possibly could pay him. The cost of shipping to St. Paul is about 10 cents a bushel. So the farmer had to sell his wheat, in many places, because of the lack of storage, for 85 cents.

Mr. REED. Mr. President, let me go a little further than that. With the senior Senator from Alabama [Mr. BANKHEAD], who sits in front of me, I have long been vocal on the farm-problem question. Both of us, as recently as the meeting of the Committee on Banking and Currency considering the pending measure, agreed again—I do not know how many times we have done so—that we want the farmer to get his income in the market place.

Mr. BANKHEAD. That is correct.

Mr. REED. And not by Government payments in the nature of subsidies. I have always been opposed to that in principle. I am opposed to it now. I go along with it only, because there is nothing else to do, practically, at this time.

Mr. BANKHEAD. Let me put it in another way. I think the consumers of agricultural commodities, rather than the taxpayers, should pay for them.

Mr. REED. And not the taxpayers. I agree entirely.

Let me say to the Senator from Montana that, as he knows, the price of wheat is largely controlled and sustained by the loan level under the parity program. The loan level at the terminal

markets, if I recall correctly, is about \$1.11. Then we have to take out the freight rate. In Kansas, for example, which, as is well known, is the largest wheat-producing State in the United States, 50,000,000 bushels of wheat were put on the ground. There was no place for storing it. Under the rules of the Commodity Credit Corporation, not over 60 percent of the normal loan price will be loaned on wheat on the ground. I am not criticizing the Commodity Credit Corporation; perhaps that is a wise precaution. I am merely stating a fact. Therefore the farmer in Montana, or in Kansas, if he had no storage facilities for his wheat and it had to go on the ground, where 50,000,000 bushels went in Kansas this year, temporarily at least, was restricted to 60 percent of his loan, and that would put his loan down to about 65 cents, we will say.

The farmer may be penalized at any time with what we call distressed wheat, what is called distressed wheat in the free market, to the extent that the distressed wheat moves at the lowest price level. So the farmer in Montana might suffer even a greater penalty than the Senator has indicated. So much for that.

I wish the senior Senator from Michigan [Mr. VANDENBERG] were present. The President strongly suggested that he could not do many things he would like to do to protect the consumer because he did not have the power—a lame, impotent, dull, and stupid Congress had tied his hands. Let us see. On the chart which has just gone into the RECORD, and which I have read, the top item is beef cattle. The August price of beef cattle was \$11.30 a hundred pounds. One hundred and ten percent of parity on beef cattle, or the comparable price on beef cattle, is \$9.34 a hundred pounds, and there has been no day, up to and including today, when the President of the United States or the Price Administrator could not have made an order reducing the price of beef cattle from \$11.30 a hundred pounds to \$9.34 a hundred pounds, under authority of the Price Control Act.

I do not wish to be misunderstood; I am not discussing whether \$11.30 or \$9.34 is too much, or too little, or just right; all I am talking about is the authority of the President, which he led the country to believe he did not have. I repeat the assertion and challenge anyone to question the correctness of it. There has not been a day, up to and including today, when the President of the United States or the Price Administrator could not have issued an order fixing on beef cattle a ceiling of \$9.34, which is the limit within the present law.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. REED. Let me add one thing, and I shall be glad to yield.

Mr. TYDINGS. I desire to ask a question in line with what the Senator is saying. I am curious to know why the President and the Price Administrator, if the price went above the formula, did not reduce it. What was the reason given? I am not advocating its reduction, I am not advocating that it go up, but for purposes of my own thought I should like to know why it was not reduced, if the Senator knows.

Mr. REED. Let me answer my good friend the Senator from Maryland with the suggestion that if there is a Senator who perhaps has a lower place in the President's esteem than the Senator from Maryland, it is the Senator from Kansas.

Mr. BANKHEAD. May I give the Senator the information about the reason?

Mr. REED. If the Senator from Alabama has the information.

Mr. BANKHEAD. It was brought out before the committee, and I am merely giving information as presented to the committee by the Secretary of Agriculture. He said they did not put the ceilings in operation because they were afraid of the effect it would have on production, that it might decrease production.

Mr. REED. Then why do they not say so?

Mr. TYDINGS. Will the Senator yield further?

Mr. REED. I yield.

Mr. TYDINGS. It is useless to have ceilings unless they are to be leakproof. In other words, the whole purpose, once we agree on what is fair, is that the ceiling should be leakproof. If it is going to leak, we might as well go out in the rain and stay there.

Mr. REED. I shall come back to this particular phase of the subject later.

Let me add that if the President or the Price Administrator had put a ceiling at 110 percent of the comparable price of beef cattle that would have reduced farm prices \$392,000,000 in 1942, and I shall call attention to the result if they had done the same with the next item on this table, in the case of hogs. The August 15 price of hogs was \$14.30, and 110 percent of parity would be the maximum permissible. Let me draw to the attention of the Senator from Maryland the fact that the maximum permitted under the Price Control Act is 110 percent, with the exception of two or three articles, as to which special periods are fixed. One hundred and ten percent of parity on hogs is \$12.16. There has never been a day, up to and including today, when the President or the Price Administrator, or both of them, could not have put a ceiling on hog and beef prices, and if they had fixed the ceiling at 110 percent of parity, the figure would have been reduced \$330,000,000. The aggregate of the two items, figuring the difference between 110 percent of parity and the market price, which the President proposes

to continue in line with his Labor Day speech, is \$692,000,000.

I am not saying those prices are too high; I do not think they are. But when the President is trying to get a degree of control which I think he ought to have, and which I am going to vote to give him, and have been willing to give him all the time, I object to his coming here under false pretenses, and alarming the country, first, over a needless and insignificant difference in total prices, and, secondly, as a matter of principle, I object to his alarming the people and prejudicing this great group of farmers of the country.

Mr. TYDINGS. Will the Senator yield further?

Mr. REED. I yield.

Mr. TYDINGS. Is there any dispute at all as to the accuracy of the statements the Senator has made as to these particular commodities being above the prices fixed in the law, and the power of the price administrator, appointed by the President, to reduce the prices if it were thought wise? Is there any dispute as to that?

Mr. REED. None at all.

Mr. TYDINGS. I think the country feels that the reason why some adjustment has not been made is that there is no power in any one to make the adjustment.

Mr. REED. Let me say to the Senator from Maryland and to the Senate that I consider this question to be so important that for the last 2 weeks, ending tonight, I have lived with it.

Representing in part one of the important farm States, I was incensed at the bad faith the President of the United States exhibited in his message regarding the farmers of the United States. I resent it, and I am taking the Senate floor today to call to the attention of the Senate, and I hope of the country, so far as my voice may carry, that there is no dispute as to these facts. I have checked carefully with the Bureau of Agricultural Economics on every statement I have made. Every price, every figure, every table and percentage was furnished by the Bureau of Agricultural Economics, and there is no question as to the facts in any instance.

Mr. President, the situation was so serious, the implications of the President's message so misleading, that I asked the Bureau of Agricultural Economics to aid me in preparing, in the most terse and graphic form I knew how, the recent history of agriculture. I shall be very glad if Senators who are interested will examine the table, copies of which I shall pass around.

Mr. President, I ask unanimous consent that the table to which I have just referred be inserted in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Selected data relating to farm and nonfarm income; individual incomes of industrial workers and farmers with percentage relationship; cost of living; effect of national policies on agriculture and industry and the enormous disparity in division of national income between farm and nonfarm populations

Year	Population				Income													Hourly earnings factory workers	
	Total	Nonfarm	Farm	Farm population as percentage of total population	National income	Income to persons not on farms	Income to persons on farms	Income from agriculture to persons on farms as percentage of national income	Net income from agriculture per person on farms	Income per person not on farms	Cost-of-living (all items) index numbers, 1910-14=100	Wage income per industrial worker		Average net farm income per person engaged in agriculture	Column 14 as percentage of column 12	Hourly earnings factory workers			
												Per year	Index numbers, 1910-14=100			Per hour	Index numbers, 1910-14=100		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)		
	Thous.	Thous.	Thous.	Pct.	Mill. dol.	Mill. dol.	Mill. dol.	Pct.	Dol.	Dol.		Dol.		Dol.	Pct.	Cts.			
1910.....	91,417	59,340	32,077	35.1	33,064	28,614	4,450	13.5	139	482	96.9	573	98.6	371	64.7	20.0	94.5		
1911.....	93,110	61,000	32,110	34.5	32,490	28,575	3,915	12.0	122	468	96.9	562	96.4	348	61.9	20.3	96.0		
1912.....	94,480	62,270	32,210	34.1	34,456	30,121	4,335	12.6	135	484	102.9	575	98.6	371	64.5	21.2	100.3		
1913.....	96,220	63,950	32,270	33.5	37,762	33,375	4,387	11.6	136	522	100.9	600	103.0	382	63.6	22.1	104.3		
1914.....	98,320	66,000	32,320	32.9	36,367	31,851	4,516	12.4	140	483	102.4	603	103.6	360	59.7	22.3	105.5		
1915.....	99,880	67,440	32,440	32.5	38,254	33,859	4,395	11.5	135	502	103.4	622	106.7	381	61.3	22.9	108.3		
1916.....	101,280	68,750	32,530	32.1	44,913	39,858	5,055	11.3	155	580	111.1	694	119.1	465	67.0	26.1	123.3		
1917.....	102,830	70,490	32,240	31.4	53,360	45,031	8,329	15.6	258	639	130.7	818	140.2	690	84.3	31.1	147.1		
1918.....	104,090	72,320	31,770	30.5	58,121	48,461	9,660	16.6	304	670	153.4	1,064	182.4	882	82.9	40.8	192.8		
1919.....	104,700	73,770	30,930	29.5	66,136	56,259	9,877	14.9	319	763	176.6	1,188	203.7	969	81.6	47.7	225.6		
1920.....	105,861	74,247	31,614	29.9	73,393	65,025	8,368	11.4	265	876	204.4	1,411	242.0	753	53.4	57.8	273.3		
1921.....	107,695	75,932	31,763	29.5	58,333	54,538	3,795	6.5	119	718	182.2	1,234	211.4	417	33.8	50.6	239.1		
1922.....	119,549	77,800	31,749	29.0	60,517	55,667	4,850	8.0	153	716	170.8	1,182	202.6	453	38.3	46.4	219.3		
1923.....	111,247	80,117	31,130	28.0	70,675	65,067	5,608	7.9	180	812	173.9	1,274	218.3	532	41.8	52.0	245.7		
1924.....	113,366	82,549	30,817	27.2	70,634	65,074	5,560	7.9	180	788	174.3	1,273	218.1	559	43.9	54.5	257.5		
1925.....	115,160	84,330	30,830	26.8	75,187	68,321	6,866	9.1	223	810	178.9	1,293	221.9	642	49.6	54.4	257.2		
1926.....	116,785	86,166	30,619	26.2	80,396	73,779	6,617	8.2	216	856	180.3	1,318	226.2	609	46.2	54.8	258.9		
1927.....	118,787	88,217	30,170	25.5	78,502	72,188	6,314	8.0	209	818	176.9	1,311	224.9	621	47.4	55.2	260.9		
1928.....	119,523	89,735	30,188	25.2	81,044	74,357	6,687	8.3	222	829	174.9	1,323	226.8	616	46.6	56.0	264.7		
1929.....	121,249	91,029	30,220	24.9	85,954	79,213	6,741	7.8	223	870	174.8	1,334	228.8	649	48.7	56.6	267.5		
1930.....	122,497	92,328	30,169	24.6	75,364	70,250	5,114	6.8	170	761	170.3	1,249	214.2	489	39.1	55.2	260.9		
1931.....	123,643	93,146	30,497	24.7	79,853	76,371	3,482	5.8	114	605	155.1	1,129	193.5	322	28.5	51.7	244.3		
1932.....	124,475	93,504	30,971	24.9	43,005	41,320	2,285	5.2	74	442	139.2	929	159.2	218	23.4	45.8	216.4		
1933.....	125,222	93,529	31,693	25.3	42,006	39,024	2,882	7.1	94	417	131.8	900	154.2	289	32.1	45.5	214.9		
1934.....	126,611	94,241	31,770	25.2	49,448	45,933	3,515	7.1	111	487	136.5	983	168.6	400	40.6	54.1	255.7		
1935.....	126,864	95,063	31,801	25.1	56,368	51,361	5,007	8.9	158	540	139.9	1,057	181.3	468	44.2	55.9	264.1		
1936.....	127,718	96,363	31,355	24.6	65,707	60,367	5,340	8.1	170	626	141.4	1,129	193.5	536	47.5	56.4	266.7		
1937.....	128,474	97,628	30,846	24.0	71,566	65,492	6,074	8.5	197	671	146.5	1,217	206.9	565	46.4	63.4	299.7		
1938.....	129,353	98,851	30,502	23.6	66,404	61,408	4,996	7.5	164	621	143.8	1,131	194.1	489	41.4	63.9	302.0		
1939.....	130,404	100,699	30,305	23.2	71,043	65,869	5,174	7.3	171	658	141.8	1,203	206.3	498	41.4	64.4	304.3		
1940.....	131,456	101,377	30,079	22.9	78,037	72,651	5,386	6.9	179	717	142.9	1,268	217.6	527	41.6	67.0	316.7		
1941.....	132,585	102,725	29,860	22.5	92,397	84,806	7,591	8.2	254	826	150.1	1,484	254.4	742	50.0	73.6	348.9		

COMPARISON, ACTUAL INCOME AND PARITY INCOME

Parity income and actual income from agriculture to persons on farms, United States, 1910-41

Year	Parity income	Actual income
	(18)	(19)
	Mill. dol.	Mill. dol.
1910.....	4,266	4,450
1911.....	4,142	3,915
1912.....	4,284	4,335
1913.....	4,617	4,387
1914.....	4,399	4,516
1915.....	4,477	4,395
1916.....	5,205	5,055
1917.....	5,692	5,329
1918.....	4,877	9,660
1919.....	6,495	9,877
1920.....	7,619	8,368
Total for period.....	57,003	67,287
Excess of farm income over parity income.....		10,284
1921.....	6,289	3,795
1922.....	6,255	4,850
1923.....	6,973	5,608
1924.....	6,687	5,560
1925.....	6,875	6,866
1926.....	7,226	6,617
1927.....	6,788	6,314
1928.....	6,883	6,687
1929.....	7,253	6,741
1930.....	6,335	5,114
Total for period.....	67,564	58,152
Deficit in farm income under parity income.....		9,412
1931.....	5,093	3,482
1932.....	3,778	2,285
1933.....	3,645	2,982
1934.....	4,257	3,515
1935.....	4,738	5,037
1936.....	5,393	5,340
1937.....	5,707	6,074
1938.....	5,216	4,996

COMPARISON, ACTUAL INCOME AND PARITY INCOME—continued

Parity income and actual income from agriculture to persons on farms, United States, 1910-41

Year	Parity income	Actual income
	(18)	(19)
	Mill. dol.	Mill. dol.
1939.....	4,485	5,174
1940.....	5,956	5,386
Total for period.....	49,268	44,271
Government payments, 1933-4.....		3,358
Income less Government payments.....		40,913
Deficit in farm income under parity income.....		
1941.....	8,355	7,591
Government payments.....	6,808	514
Income less Government payments.....		7,077
Excess of farm income over parity income.....		269

With the exception of columns 11 and 15, all data shown on above statement are taken from publications of the Bureau of Agricultural Economics, Department of Agriculture. Column 11 was furnished by the Bureau of Labor Statistics, Department of Labor. Column 15 is a simple arithmetical computation based on BAE figures. Selection, adaptation, and arrangement of information shown hereon were made by Senator CLYDE M. REED.

Mr. REED. Mr. President, in order that I may inform Senators clearly the source of the table, I shall read the note at the bottom, as follows:

With the exception of columns 11 and 15, all data shown on above statement are taken from publications of the Bureau of Agricultural Economics, Department of Agriculture. Column 11 was furnished by the

Bureau of Labor Statistics, Department of Labor. Column 15 is a simple arithmetical computation based on Bureau of Agricultural Economics figures.

That is the Bureau of Agricultural Economics' figures.

Selection, adaptation, and arrangement of information shown hereon were made by Senator CLYDE M. REED.

Mr. President, only the selection, only the adaptation, only the arrangement is mine. The basic figures are official, all from the Department of Agriculture, except one column, and that is from the Department of Labor.

Mr. President, I wish to hasten along. I shall begin with columns 1, 2, and 3 on the left-hand side of the table. Column 1 shows the total population of the United States in the years 1910 to 1941, inclusive. Column 2 shows the nonfarm population for those years, and column 3 shows the farm population for those years. Those figures are simple and easily understandable.

The important thing in the table is the comparison of column 4 with column 8. It will be observed that, as shown in column 4, in 1910, 35.1 percent of the total population of the country was on the farm. The farm population in that year received 13.5 percent of the national income.

In 1940, 22.9 percent of the total population of the country was on the farm, and the 22.9 percent received 6.9 percent of the national income. He who runs may read.

Mr. TYDINGS? That was in 1940, was it not?

Mr. REED. Yes; 1941 was a better year for agriculture. In 1941, 22.5 percent of the total population of the country lived on farms and received 8.2 percent of the national income. I hope the farm income in 1942 will be still better.

Mr. TYDINGS. Mr. President, will the Senator again yield?

Mr. REED. I yield.

Mr. TYDINGS. In order that we may clearly understand the presentation which the Senator is making, do I correctly understand farm income to consist only in dollars, or does it take into consideration the things the farmer gets off his farm as a part of his way of life in addition to the money he receives for what he sells from his farm? Do the figures which the Senator presents give the farmer's all-over picture?

Mr. REED. Mr. President, I am very happy to continue the education of Senators as far as possible today.

Mr. TYDINGS. I wish to tell the Senator that I have been very well educated from the standpoint of the checkbook during the last 6 or 7 years on a farm.

Mr. REED. I hold in my hand a publication issued by the Bureau of Agricultural Economics of the Department of Agriculture entitled "Net Farm Income and Income Parity Summary, 1910-41." I hope every Senator will get a copy of this publication and give it as much attention as he reasonably can. I wish to read the items on page 20 to the Senator from Maryland. On page 20 the first item in the left-hand column is, "Cash income from markets." The next is, "Government pay." That makes the total cash income. The next column is, "Value of home consumption." The next column is, "Rental value of farm."

Mr. TYDINGS. What is the total of the four?

Mr. REED. I was about to read the item of "Value of home consumption." For 1941, for example, it was \$1,421,000,000. The rental farm value for the same year was \$706,000,000.

When all those columns are added together it produces the gross income.

To get the farmer's net income turn to table 14 on page 27 and there will be found the net income to persons on farms. Take the gross income, and then take deductions from the gross income and the result is the net cash available to persons on farms after farm expenditures.

Mr. TYDINGS. What deductions are made? The deductions, I presume, are for fertilizer and implements and what not.

Mr. REED. Yes. Then we have the net cash left after that. Then there is added the rental value of the farm home, the value of home consumption, and that gives the net income with a couple of smaller items added.

Mr. TYDINGS. The Senator is going into more detail than my question warrants. What I really am interested in knowing is, Does the figure of the per capita income of the farmer take into consideration only the net cash which he has after paying his expenses, or does it take into consideration the things

which the farm produces and upon which the farmer lives, without actually expending money for them?

Mr. REED. It does take into consideration the latter items.

Mr. TYDINGS. It does. So that the picture we have is just the same as if the farmer had included every direct and indirect item of income and outgo on the farm?

Mr. REED. That is correct.

Mr. TYDINGS. That is the information I am seeking.

Mr. AIKEN. If the Senator from Kansas will yield, I should like to state to the Senator from Maryland that in the farm income is also included income from rents, from money loaned, and innumerable other sources of income which accrue to persons living on farms. If they live on farms of 3 acres or more, that is classed as farm income by Government officials, although it is very far from being ordinary farm income.

Mr. TYDINGS. I may say that the only reason I asked the Senator from Kansas the question is that I rather thought his answer would be the answer we have finally obtained, but without that answer it would be open to misinterpretation, which would not be what the Senator from Kansas wants. My point in asking the question is that we might have the net farm income in order to compare it with the net industrial income when we get down to writing a price-control measure, with no other item included or excluded.

Mr. REED. I thank the Senator from Maryland very much for interrupting me. The questions were very timely and very helpful. I find, and everyone who discusses the farm problem finds, constantly arising in the minds of certain persons the question: What does the farmer do about food which he raises on his own farm, and what does he do about his rent? I was only referring to these two items because I do want to get along. Those are the two largest items, and as I read awhile ago in computing the net income to the farmer, there is taken into consideration the actual cash which he receives from his marketing, and then there is added the rental value of the farm home and the value of farm consumption. In 1941 the sum of those two items was in excess of \$2,000,000,000. That, I am sure the Senator from Maryland will appreciate, is a very substantial sum.

Columns 9 and 10 show a comparison of net income from agriculture per person on farms with income per person not on farms. The junior Senator from Vermont [Mr. AIKEN] discussed that item, and what he said might have left some misunderstanding as to those columns. Column 9 shows the net income from agriculture, and does not include items of income that a person living on a farm might receive other than from agriculture.

In 1910 the net income from agriculture per person on farms, that is, for everyone living on a farm, including the children in the family, whether they worked or not, was \$139. In 1940 it had risen to \$179. As I said, that is the net income received by every person that

lives on the farm, whether he worked or not.

Column 10 shows the income per person not on farms. The same test is applied with respect to such persons. That is, it applies to all persons not on farms, whether they are wage earners or not. The national income is divided between the farm and the nonfarm population, and then is subdivided so as to show the income per capita. The income per person not on farms, the urban population, in 1910 was \$482 a year, whereas the net income per person on the farm was \$139.

By 1940 the income per person not on farms had increased to \$717, and of those on farms to \$179. The cost of living is shown from 1910 to 1941, inclusive. That column was furnished by the Department of Labor.

The President of the United States, who—in his policies has consciously or unconsciously favored certain classes and segments of our population—particularly of our voting population—has at least invited a class war between the industrial worker on the one hand and the farmer on the other. All the way through his message he emphasized the purchasing power of wage workers. That is shown in this table. Columns 12 and 13 show the wage income per industrial worker back to 1910. These figures deal with the income of the industrial worker, as distinguished from the average income of the total urban population.

The income of the industrial worker in 1910 was \$573. In 1941 it was \$1,484, or 254 percent of the 1910 figure. As shown by the figures of the Department of Labor, and also by the figures of the Department of Agriculture, the income of the industrial worker is now 254 percent of what it was in 1910.

The cost of living index in 1941 was 150, as against a wage index of 254 for the industrial worker. No group in our society has more definitely improved its status, actually and relatively, than the industrial worker. I do not begrudge him his better conditions. I am glad that wage levels are higher. I think we ought to pay good wages. In my own business as an employer I try to do so. However, I want the people to know the truth; and the message of the President was misleading.

I invite attention to column 15. Neither the Department of Labor nor the Department of Agriculture furnished that column. It is merely a mathematical computation. In 1910 the farmer received 64 percent as much income as did the industrial worker. In 1940 the farmer received 41 percent as much income as did the industrial worker. In other words, the industrial worker's gain in wages has outstripped the increase in the cost of living. It has outstripped any improvement in the farmer's income, until we have reached the point where actually and relatively the industrial worker is the favored person in our whole economy.

It is startling to observe that in 1940 the farmer had only 41 percent as much average wages as the industrial worker in factories received. That does not

justify any claim from any source, no matter whether that source be as lofty as the President of the United States, that the farmer is responsible for any threat of inflation. Nor does it justify leaving the people of the Nation under a misapprehension as to the truth.

Column 16 shows the hourly earnings of factory workers. In 1910 those earnings averaged 20 cents an hour. In 1941 the average was 73.6 cents. That is the average earning of all factory workers, high and low, skilled, semiskilled, and unskilled. From 1910 to 1941 the wage per hour went up three and a half times. Using the 1910 figure as a base, the percentage index number in 1941 was 348.

Let me close by summarizing. For 20 years previous to 1941 the farmer did not have a living income. Throughout all that period the wages and working conditions of industrial workers have steadily improved, an improvement which I welcome and do not begrudge. I am standing on this floor only in the interest of truth, which has been badly treated so far as the farmer is concerned.

I ask Senators to refer to the two right-hand columns. This is the first public occasion when an attempt has been made to trace the parity principle back to 1910. We have all come to accept parity, even though many of us believe that the parity formula might well be revised. However, we accept the principle. Even the great metropolitan newspapers which criticize the farm bloc accept the principle of parity. If there is any such organization as the farm bloc, I belong to it. I hope I am an earnest member. Today I am trying to be a vocal member.

For 20 years the great problem in this country has not been the industrial worker. It has been the farmer. Let us look at the two right-hand columns. In 1921 we began a new era of agriculture. In that year we came out of the inflation period following the First World War.

From 1921 to 1930, inclusive, the first 10 years of that period, the farmers received an income of \$58,152,000,000. That is a 10-year aggregate. I telephoned to the Bureau of Agricultural Economics and asked if the parity principle could be applied back through those years. I was told that it could be so applied, and the Bureau did so. In that 10-year period the income of the farmers as a group should have been \$67,564,000,000 to attain parity. Such an income would have given them parity—not 110 percent of parity but parity. In that 10-year period the accrued deficit in the farmers' income under the parity principle was \$9,412,000,000.

I studied the question in the same way for the next 10 years, from 1931 to 1940. The farm income in that period was \$44,271,000,000, but included in that amount were the Government payments, which began in 1933. They amounted to \$3,358,000,000.

I am trying to show what the farmers should have received in the market place. That is where I want the farmer to go for his income. Whenever we can put into effect that kind of an agricultural policy we shall be in a much healthier

and better condition all around than when we try subsidies, which are only a stopgap, and which I thoroughly dislike in principle as well as in actual administration.

In that period the farm group of the country had an income of \$40,913,000,000 in the market place. The farmers should have received \$49,268,000,000 to give them parity. In round numbers, Mr. President, the farmer had a gross deficit in the market place in the 20-year period of approximately \$18,000,000,000; and when we deduct the Government payments from 1933 on he still had a deficit of about \$14,000,000,000.

From the standpoint of income no large, important group of people in the United States has suffered through the years as the farmer has suffered. That is why banks have failed in the Farm Belt. That is why mortgages were foreclosed. That is why farm machinery deteriorated. That is why houses and barns are unpainted. That is why earnings were so poor. That is why, whenever a job was available off the farm, there was a tendency to take it. That is why we from the Farm Belt have been trying through the years to get our story to the people of the United States. It occurred to me that handling it in this way might be of some advantage in carrying the message.

Mr. President, I should like to acknowledge the fine courtesy and cooperative spirit which I found in the Bureau of Agricultural Economics in compiling these data. The officers of the Bureau did everything I asked them to do, and did it cheerfully and courteously.

Let me refer to one thing further, and then I shall have concluded. The Senator from Wisconsin [Mr. WILEY] recently discussed the dairy production situation. It is fully as bad as he described it. Let me read from the President's message:

The greatest danger is in dairy products, which are, as you know, most important items in the American diet. Butter, cheese, and evaporated milk are exempt under the Price Control Act. The prices for those have been going up so fast that they constitute a serious threat to an adequate supply of fluid milk. Unless we are able to get control of butter, cheese, and other dairy products in the very near future, the price of milk in large cities is certain to go up.

The President again sounds a note of alarm to the people of the country, but on the wrong basis. The note of alarm which the President should have sounded is that unless he and those responsible for the blundering, stupid, inefficient, confused, and impossible labor policy, which is stripping the farms of their labor, change that policy, the danger to the American people, particularly those living in the towns, in 1943 will not be a few cents more or less on the price of milk or the price of butter, but it will be the danger of the impossibility of obtaining those commodities. As was so graphically described by the Senator from Wisconsin [Mr. WILEY], every day dairy farms are being closed, and dairy cattle are being sent to the packing houses for slaughter. Today there is less production of dairy products than there was a year ago. That decrease is progressively be-

coming larger. More dairy farmers are closing up their dairies, selling their cattle, getting rid of them, going out of business. There is the danger; and in 1943 it will not be a question of increasing the production by means of the higher prices which must be paid. We cannot increase that production after the dairy farmers have folded up and quit; after dairy cattle have gone to the slaughterhouse.

Dairy farming is the most highly specialized and most difficult form of farming. It is in that classification, where experienced and skilled farm labor is most needed, that the largest losses of labor are occurring.

Tomorrow, Mr. President, the Kansas delegation in both Houses, including my colleague who sits here and the Kansas Members of the House of Representatives are to have our second interview in 2 weeks with the Secretary of Agriculture, to discuss the farm labor problem.

In Kansas 2 or 3 weeks ago, four or five of the Members of the House of Representatives and myself, who happened to be there, sat down in Topeka and discussed the situation with the Kansas State Board of Agriculture, the representatives of the Agricultural Adjustment Authority, and representatives of the Kansas farm organizations. We collected some data. Thereafter, when we returned to Washington, we presented our findings and discussed the matter fully with the Secretary of Agriculture—all of us together as a delegation from an important farm State—laying the farm labor trouble before him.

Next we went to General Hershey, to discuss the Selective Service Act—again going as a delegation. Then we went to Chairman McNutt, of the War Manpower Commission, and then we went to the Under Secretary of War, Mr. Patterson, to discuss the operation of the Government ordnance and munitions plants.

Tomorrow we shall go back where we began, to the man most directly in contact with the problem, the Secretary of Agriculture. We shall say to him, tomorrow, that if the present loss of labor from the farms continues until next year, the farms will not be able to produce enough food for the Nation, particularly in the line of the most highly specialized production of all—dairy products—and that unless the present labor policy is corrected, unless some relief can be given, when next year comes, no matter what action may be taken then, it will be too little and too late.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 6921) to amend the Soil Conservation and Domestic Allotment Act to authorize payments in cases where farmers' crops are acquired, prior to harvest, in connection with the acquisition of their farms for use in the national war effort, and to provide for the division of such payments.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5503) to authorize the Attorney General to stipu-

late to the exclusion of certain property from condemnation proceedings; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. Celler, and Mr. MICHENER were appointed managers on the part of the House at the conference.

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

The PRESIDING OFFICER (Mr. SPENCER in the chair). The question is on agreeing to the committee amendment on page 2, in lines 12 to 20.

Mr. THOMAS of Idaho obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. THOMAS of Idaho. I yield.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	O'Mahoney
Andrews	Green	Overton
Austin	Guffey	Pepper
Bailey	Gurney	Radcliffe
Ball	Hatch	Reed
Bankhead	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Russell
Bone	Holman	Schwartz
Brewster	Johnson, Calif.	Shipstead
Bridges	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Truman
Chandler	McKellar	Tunnell
Chavez	McNary	Tydings
Clark, Idaho	Maloney	Vandenberg
Clark, Mo.	Maybank	Van Nuys
Connally	Mead	Wagner
Danaher	Millikin	Wallgren
Davis	Murdock	Walsh
Downey	Murray	Wheeler
Ellender	Norris	White
George	Nye	Wiley
Gerry	O'Daniel	Willis

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

CONTROL OF FARM PRICES AND WAGES

Mr. THOMAS of Idaho. Mr. President, in dealing with the present problem of farm prices there are two considerations of vital importance to the people of the United States.

One is the possible adverse effect of low ceilings on farm prices upon production of food for essential war needs. The other is the adverse effect of higher farm prices on the consuming population.

Congress must balance these two factors against each other. We should approve a level of farm prices high enough to cover increased costs and to give an incentive to production. At the same time we should avoid an excessive burden upon consumers.

From first hand observations of the present plight of the farmer during a recent visit to my State of Idaho, I am convinced that the danger of inadequate agricultural production forms a most

serious menace to success in our war program. Failure to provide sufficient food for our civilian population, our armed forces, and the people of allied nations may lead to disaster comparable to reverses on the field of battle. If prices are not high enough to maintain needed production, consumers in the end will be confronted with very much higher prices than should now be sufficient.

My viewpoint with respect to the pending legislation for more effective control of farm prices and wages may be summarized as follows:

First. I favor over-all control of all prices in agriculture and industry and of wages under definite statutory standards.

Two. Besides providing safeguards against inflation, the new legislation should give sufficient encouragement to agriculture to assure production necessary for war purposes.

Third. Under a statutory rule for ceilings on farm prices it should be made mandatory to take into account abnormal costs of production, including agricultural wages.

Fourth. Inflationary rises in both farm and industrial prices—due to the pressure of increased incomes of consumers upon limited supplies—should be checked by a statutory freezing of all wages and salaries.

Fifth. Delegation of broad authority to the Executive can accomplish nothing if a politically minded administration continues policies which make impossible effective resistance to inflation.

I have consistently favored complete control of all prices and wages. I voted against the present Price Control Act last January because it failed to provide for any regulation of industrial wages and also ignored farm wages in connection with agricultural prices. The failure of that law to accomplish results is now conceded by the administration, which dictated its terms.

While I strongly favor new legislation I am not satisfied that the pending bill, unless strengthened by amendments, will accomplish the desired results.

THREAT TO FOOD PRODUCTION

The United States has abundant resources for production of food for all possible needs of ourselves and our allies during this war. Except for shortsighted policies under the planned economy of the New Deal, our position in this respect would be impregnable.

The restrictions heretofore placed upon agricultural production under mistaken New Deal policies have now been aggravated by new factors growing out of war conditions. A serious shortage of food, including meats, dairy products, poultry, sugar, and many fruits and vegetables, is now a definite probability.

We cannot continue the tremendous physical effort required by our all-out war program without proper nourishment both at home and in the battle lines on many continents. Prices must give incentive to production.

The people of my State and elsewhere have done their best to meet the quotas for expanded food production which are a part of the war program. The produc-

tion this year will be the greatest in history, due in part to unusually favorable weather conditions, but will fall short of what would have been possible if there had been less inefficiency and bungling in our war planning.

A shortage of farm labor was unavoidable as a result of military demands. It has become needlessly acute as a result of the failure of the administration to hold down wages paid by war contractors. If the administration had been willing a year ago to freeze wages as urged by Bernard M. Baruch, present conditions would have been less serious. Coordination of manpower requirements in civilian and war industry and in agriculture has been lacking. Ridiculously high wages offered by war contractors, with the approval of the Government, have made it impossible for farmers to compete for available labor.

In the face of such conditions the farmers in my State were stunned by the demagogic attacks upon agriculture which came from the White House on Labor Day.

FARM PRICES AND COSTS

The President has given the impression to the consuming public that any farm price above parity is too high and may be considered inflationary. I deny that these assumptions are justified.

Facts were presented by farm leaders to the Banking and Currency Committee to show that the parity formula does not fit present conditions. It was demonstrated that the base period is unjust, that the formula is obsolete, that price alone is not an accurate measure, and that agricultural labor should be included among the items which measure the expenditures of the farmer.

I will concede that the upward movement of farm prices is inflationary to such extent as it is due to an expansion of purchasing power of consumers beyond available supplies. A large measure of responsibility for inflation of this nature rests upon the administration because of its failure to freeze the earnings of consumers.

Such advance in farm prices as was necessary to raise the very low level of 1939 to normal and to provide for increased costs cannot be considered inflationary.

Elaborate calculations which are available in the record of our committee hearings show that for the years between 1909 and 1941 there were only 2 years—mark you, Mr. President, only 2 years—1917 and 1918, when the farmers received an income equal to his production expenses, including an estimated wage for himself equivalent to the average wage of industrial labor. According to these figures, farm income should be about 30 percent greater than in 1941 in order to place the farmer on a parity with industrial labor.

At the beginning of the present administration its goal was restoration of a predepression price level for agriculture. The administration at that time liked to use the word "reflation" to describe the attempt to increase farm prices. In February 1933, wholesale prices of farm products had dropped to 41 percent of the

1926 level, which was then considered normal. Attainment of the administration's goal would have required an increase of about 145 percent. The administration avoided any use of the word "inflation" in connection with its program. It succeeded in bringing about a very substantial increase in farm prices, to an average for 1937 of about 86 percent of the 1926 level. In August 1939, the month before the outbreak of the European war, wholesale prices of farm products had slumped to 60 percent of the 1926 level. It required an increase of 66 $\frac{2}{3}$ percent to restore the price level of the normal year, 1926.

The actual increase in wholesale prices of farm products from August 1939 to September 12, 1942, was 75 percent. The farm price level on that date was only 7 percent above that of 1926. The administration now insists upon using the word "inflation" in describing the entire increase in farm prices from 1939, although the major part of it should properly be considered "reflation," under the New Deal's own standards.

If we use parity prices as our standard for comparison, we find that all farm prices on August 15, 1942, averaged 107 percent of parity. However, many important commodities were below parity. Wheat stood at only 71 percent of parity, and corn and beans at 85 percent of parity. Livestock was considerably above parity, but this branch of agriculture could not possibly exist on a return equal to parity, owing to changed conditions affecting costs. The wide variations in relations between parity prices and actual prices show the absurdity of the formula as applied to present war conditions.

The Price Administration has failed to impose ceilings on farm products which would have been possible under the terms of the present law. It is not true that farm products are exempt from control, as the Administration would have the public believe.

Evidence is lacking that consumers have been burdened excessively by the increased farm prices of the present year. The index of retail food prices of the Bureau of Labor Statistics for June was low than the average of any year of the decade from 1920 to 1930, with the single exception of 1922. The index for June 1942 was 89 percent of the level of 1926. Price ceilings imposed upon retailers have prevented any great increase in food prices since June.

FARM WAGES

When the parity price formula was first adopted under the Agricultural Adjustment Act of 1933, provision should have been made for inclusion of wages and other elements of farm costs. I never could understand why this was not done.

The sharp increase in farm wages under war conditions has served to make it imperative that this factor in costs receive consideration in connection with parity prices, if the parity formula is to serve as a standard.

Figures of the Department of Agriculture indicate that average farm wage rates for the entire country had risen in July by 65 percent over those prevailing

in 1939, and by nearly 40 percent over 1933.

While it was possible a few years ago to get plenty of farm labor in Idaho for \$2 a day or a little more, I know of many instances at the present time where \$6 a day or more is being paid. Under a recent agreement, in connection with the picking of potatoes, workers are being paid at a rate per sack which will net them as much as \$8 or even \$10 per day.

A study of growing beans on 33 Idaho farms in 1938 has recently come to my attention. It was made by the extension department of the University of Idaho. Average costs were found to be a little greater than the average return. One-fifth of the cost per acre was represented by labor, which was shown as 25 cents per hour. At the present time prices received by farmers for beans per 100 pounds are about double those in 1938. Wages of 75 cents an hour are being paid, or three times the 1938 rate. Other costs have increased also. The difficulty of securing sufficient labor to obtain a maximum yield has tended to increase unit costs. I am certain that the farmers are finding it just as difficult to break even on their beans as when prices were much lower.

I have been unable to understand the opposition of the President to an allowance for increased wage costs in the computation of parity prices. Nor can I comprehend his attempt to explain the assertion in his message to Congress that—

Calculations of parity must include all costs of production, including the costs of labor.

Labor costs entering into the cost of industrial commodities purchased by farmers are an entirely different matter from the question of wages paid by farmers in the production of their crops. The latter receive no consideration whatever in computing parity prices.

PROVISIONS OF PENDING BILL

I am in accord with the provision of the pending bill as reported from the Banking and Currency Committee to authorize and direct the President on or before November 1 to issue a general order stabilizing prices, wages, and salaries on the basis of the level existing on September 15.

I approve also the provision for ceilings on farm prices no lower than parity, or the highest price between January 1 and September 15, 1942, whichever is higher.

I am not satisfied with the proviso added by the committee for consideration of war production needs and farm wage costs. While this proviso is a step in the right direction, it is not sufficiently definite, and leaves too wide an area of discretion to the President.

The President's position on farm prices was made known in his message to Congress and his radio speech on Labor Day, and in his subsequent letter on farm wages. Consequently, I fear that under the very general language of the proviso he will not feel obliged to rule that a higher price for any farm commodity is necessary to increase its production for

war purposes. Similarly, I am afraid that he will not be inclined to hold that gross inequities will result from price ceilings by reason of increased labor or other costs to the producers.

I favor a definite inclusion of farm wage rates among factors required to be considered in computing parity prices. As soon as possible Congress should take up the question of revising more completely the parity formula to meet new conditions.

With respect to wage control, I favor a more specific statutory rule for the guidance of the President. Inflation has continued its progress under the wage stabilization policies of the administration. There is no assurance that wage stabilization, under authority vested in the President by this legislation, will be any more effective than in the past. Only by freezing wages can this road to inflation be closed.

The administration has allowed political considerations to control its actions. Such a factor should not enter into Government policy in a period of war.

Congress properly has the responsibility for the determination of policies governing prices and wages. It should assert its prerogatives more definitely than in the pending bill. Unless it does so, we are threatened with serious difficulties. Failure to encourage production of food will jeopardize our chance of victory in the war. Continued advance of inflation will have disastrous consequences upon our people.

Mr. WILLIS. Mr. President, let me first dismiss the obvious. Every Senator is, of course, agreed that we cannot fight a war such as the one in which we are now engaged, and at the same time prevent a degree of inflation, but every Senator is at the same time agreed that inflation must be kept at a minimum. We need a price-control law with a good set of teeth. It needs teeth to chew off every possible excess in the cost of living. It needs teeth to masticate every possible threat to the low-income and fixed-income citizens whose wages and salaries are not protected by organized vigilance. We have given too little attention to the gravity of the need confronting the great middle class group. It needs teeth to snap off truly excessive costs, and to bite back at price curtailments dangerous enough to kill production itself.

But let me hasten to insist upon something else which should be equally obvious. There is not being experienced an inordinately high cost of living due to increased prices of farm products. Recent attacks upon the American farmer, wafted to us in voices of the night from on high, obviously have not been harvested in the fields of fact. Nor have those fields of fact been within the ascertainable range of vision of the occupants of scores of metropolitan editorial chairs. History, past and current, reveals the American farmer in a more patriotic light than that which surrounds a group of critics whose possible charity of motive is ill-matched by their ignorance of fact, oversight of fact, or prostitution of fact.

The spirit of the farmer is present on this floor today to ask only one protec-

tion. The farmer does not ask protection for "farming as usual." He knows what a fruitless reward that would be. Nor does he ask that fair share of the national income to which he has always been entitled, but which he has never received. He thinks this is not the time. But he does ask one protection—the simple and obviously vital protection of his ability to produce.

If the cost of the labor which the farmer must employ is not included in the computation of parity, then the farmer—in hundreds of thousands of instances—will be finished.

Government trucks are picking up 55 colored boys a day within a 3-mile radius of a North Carolina air base and taking them from the farms to well-paying construction jobs. Intelligent farmers who cannot match the wages on the construction job, and who therefore cannot keep workers on their farms, cannot continue to produce food and industrial-agricultural raw materials for the Nation.

I hold in my hand a tear sheet from the Lafayette (Ind.) Journal and Courier of September 18. "Closing-Out Sale of Guernsey Cattle" is the headline on one of its advertisements.

I am offering for sale—

It says—

my entire herd, forty-five cows and heifers, twelve 10-gallon milk cans, a 24-inch copper tubular cooler, a clean easy-milking machine less than 1 year old.

That advertisement was placed in the newspaper by Joe Kerkhoff, winner of the "Pure Milk Dairy" award a few years ago. Joe Kerkhoff has been producing 80 gallons of milk every day, enough for half the nearby town. And this is only one advertisement, in only one State, in only one town, in only one newspaper. This page is jammed with similar ads offering at public sale nearly 300 head of choice dairy cattle, and so are thousands of other pages in other newspapers in communities all over this country. The reason is obvious: the farmers cannot find enough labor, and to the little they do find they cannot pay enough to match what can be earned elsewhere.

Even the present administration now finds it impossible to blink this fact any longer. Many farm prices have been permitted to rise above various ceilings already provided in the first price-control law, however inadequate it certainly and admittedly is. But the administration cannot with consistency or intellectual honesty recognize that fact on a Monday evening and then get up with the dawn on Tuesday and scream its honorable lungs out in defamation of the "selfish" farmer.

One measure which we can and should take to relieve patent injustice to the farmer is to safeguard to him the cost of the labor which he now must bear in producing the Nation's food. Without that safeguard the production lines of food in America will break down.

Mr. President, to that program I subscribe.

Mr. HOLMAN. Mr. President, will the Senator yield to me for a moment?

Mr. WILLIS. Yes; I yield.

Mr. HOLMAN. I may remind the Senator that there is one important factor

in the cost of living which has not yet been stressed in this discussion. I call attention to the fact that the high cost of the executive civil department of our Government is a great factor in the cost of living, and is itself one of the causes of the threatened inflation about which the President alarmed the country. The inordinately high taxes which are imposed, or must be imposed, upon the productive efforts of the country are a discouraging threat to production and are causing scarcity of needful things, a scarcity which results in high prices and perhaps will result in inflation. Extravagance in governmental administration causes high taxes, and the power to tax is the power to destroy.

Mr. WILLIS. It might be well to add to the price-control measure a limitation on the farmer's taxes—that limitation being what the farmer is able to pay.

The PRESIDING OFFICER. The question is on agreeing to the pending committee amendment.

Mr. TAFT. Mr. President, I inquire what is the pending amendment?

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 12, after the word "direct", it is proposed to strike out "; and may suspend any provisions of law relating to the establishment or maintenance of prices, wages, or salaries which are inconsistent with the purposes of this joint resolution" and to insert in lieu thereof "The President may suspend the provisions of sections 3 (a) and 3 (c) of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this joint resolution, but he may not under the authority of this joint resolution suspend any other law or part thereof."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, on page 3, line 10, after the word "highest", to strike out "market."

The amendment was agreed to.

The next amendment was, in the same line, after the word "price", to insert "received by such producers."

The amendment was agreed to.

The next amendment was, on the same page, in line 12, after "1942", to insert "(adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials)";

The amendment was agreed to.

The next amendment was, on the same page, line 22, after the word "may", to strike out "provide for a lower price than the highest market price for any commodity between January 1, 1942, and September 15, 1942," and insert "without regard to the limitation contained in clause (2), adjust any such maximum price."

Mr. McKELLAR. Mr. President, before that amendment is agreed to, I desire to offer an amendment to it, which I will ask to have stated. My amendment is to the language on page 4 at the end of line 13.

The PRESIDING OFFICER. The Chair will state that that committee amendment has not yet been reached.

Mr. McKELLAR. I beg the Chair's pardon. I thought the amendment had been stated.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 3, beginning in line 22.

The amendment was agreed to.

Mr. TAFT. I wish to ask the junior Senator from Michigan [Mr. Brown], in charge of the bill, a question. The Senator from Georgia criticized the language in the committee amendment which has just been adopted. I wondered if a substitute amendment had been prepared for the language of the committee amendment.

Mr. BROWN. I will say to the Senator from Ohio that I asked that one be prepared; and if the vote by which the amendment was passed may be reconsidered and the amendment passed over, I shall bring in a substitute amendment shortly and submit it.

Mr. BARKLEY. Mr. President, I have an amendment to the committee amendment on page 3, line 12, to add certain language after line 14. I thought I had arranged to have that committee amendment passed over until I returned to the Senate Chamber. I ask unanimous consent that the vote by which the committee amendment on page 3, beginning at line 12, was agreed to, be reconsidered in order that I may offer an amendment to the committee amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote by which the committee amendment was agreed to is reconsidered.

Mr. BONE. Mr. President, I merely wish to make an inquiry. I was not privileged to hear the discussion which I understand the Senator from Michigan [Mr. Brown] made on the floor of the Senate regarding the provisions at the bottom of page 3. I confess I am not sure precisely what is meant by the language:

without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities.

Precisely what does that mean?

Mr. BROWN. I will say to the Senator that the matter is to be cleared up a little further in order to meet the criticism as to section 3 made by the Senator from Georgia [Mr. George] on yesterday. It means that "parity" is an absolute limitation upon the power of the President to fix a price minimum. He may in no event fix a minimum below parity. With respect to clause (2), which is the other guide to the President in this limiting section, he may not fix a price below the price received by producers between January 1 and September 15, 1942, adjusted by the Secretary of Agriculture. Under that clause he may revise that price if he finds it necessary in order to correct gross inequities.

Mr. BONE. Mr. President, is there any limit to his power to revise? If it is a blanket power to revise he would probably have no limitations placed on him at all.

Mr. BROWN. Yes; the price would have to be grossly out of line. I may say that so far as agricultural prices are concerned, the only price of which I know which is grossly out of line at the present time is the price of rice, which is the subject of extraordinary market conditions. So far as I am aware the price of no other commodity would come within that definition.

Mr. BONE. It seems such a blanket grant of power that I was impelled to inquire about it. I assume the committee members have studied it sufficiently to be satisfied with it.

Mr. BROWN. The phrase "gross inequities" is about as strong a phrase limiting the President's power to make adjustments as we could find. I am sorry the Senator from Washington did not hear what was formerly said on that subject. We spent a great deal of time on it. The point here is that we cannot absolutely freeze existing wages or existing prices, because some of them are distinctly out of line. The idea is that we want a general stabilization of prices and wages as of the level of September 15, 1942, which is really the gist of the measure, but it has been commonly conceded that with respect to prices and wages there must be some opportunity to adjust up or down, to correct gross injustices. That is the purpose of the amendment. But in no event, with respect to farm prices, may they be adjusted below parity. The President cannot go below parity in any event, not even if necessary to correct gross inequities.

Mr. BONE. This adjustment then, I take it, would refer only to the market price between January 1 and September 15 of 1942?

Mr. BROWN. That is correct.

Mr. BONE. And that would be the fluctuating and fluid price which existed then?

Mr. BROWN. That is correct. So the amendment states.

Mr. BONE. Mr. President, I call the attention of the Senator from Kentucky to the fact that I am yielding the floor. I merely wished to make an inquiry.

Mr. BARKLEY. I thank the Senator. I submit an amendment to the committee amendment on page 3, line 12, which I ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 3, at the end of line 14, it is proposed to strike out the semicolon, and to insert a comma, and the following: "or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices during such period, of other agricultural commodities produced for the same general use."

Mr. BARKLEY. Mr. President, the Committee on Banking and Currency had an understanding that an amendment would be offered which would take care of the situation with respect to tobacco. It may not affect anything other than

tobacco. In North and South Carolina and Georgia the tobacco market has opened, and a price has been determined by the market within the past few weeks. In my State, and in Tennessee, southern Ohio, and other States, the market for tobacco does not open until December or January. So if the language were to remain as it is, it would be necessary to go back to last December or January to find the market price fixed for the 1941 crop. The price for the 1942 crop will not be determined until the opening of the market in December or January.

This amendment would simply permit the Secretary of Agriculture to adjust the price in a comparable way, after the market is opened, in situations in which there has been no active market during the past 6 months. It would take care of a situation such as I have described. The amendment is necessary in order to put the types of tobacco which are marketed in December and January on a comparable basis with those which are marketed in August and September.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BAILEY. It would not affect the standards already established in the bill with regard to North Carolina tobacco, would it?

Mr. BARKLEY. No; it would not affect them at all. Such an amendment is necessary in order to put our tobaccos on a comparable basis with tobaccos the prices of which have already been established in the market.

Mr. BAILEY. Just what is the language?

Mr. BARKLEY. Mr. President, I ask that the amendment be again stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Kentucky to the committee amendment on page 3, after line 14, will be stated.

The CHIEF CLERK. On page 3, at the end of line 14, it is proposed to strike out the semicolon, insert a comma, and the following: "or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices during such period, of other agricultural commodities produced for the same general use."

Mr. BAILEY. I think that is eminently fair.

Mr. BARKLEY. I thank the Senator. The amendment would apply not only to my State, but to Tennessee, southern Ohio, and all other tobacco regions where the market does not open until practically the end of the year.

Mr. BAILEY. It would also apply to western North Carolina.

Mr. BARKLEY. Yes; it would also apply to western North Carolina.

Mr. McKELLAR. It would extend the principle to all parts of the country.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY] to the committee amendment on page 3, after line 14.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 4, line 2, after the word "inequities", to insert a colon and the following: "*Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case in which it appears that such modification is necessary to increase the production of such commodity for war purposes, or in which it is satisfactorily shown that by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities."

Mr. McKELLAR. Mr. President, I offer an amendment to the amendment, which I send to the desk and ask to have stated. I hope the Senator from Michigan [Mr. BROWN] will accept it.

The PRESIDING OFFICER. The amendment offered by the Senator from Tennessee to the committee amendment will be stated.

The CHIEF CLERK. On page 4, line 13, before the period, in the committee amendment, it is proposed to insert a colon and the following: "*Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing."

Mr. BROWN. Mr. President, that amendment is in line with the policy already established by the Price Control Act, and I believe it is substantially a restatement of existing law. As I understand, the Senator from Tennessee desires that the policy be restated in the joint resolution. Personally I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. McKELLAR] to the committee amendment on page 4, line 13.

The amendment to the amendment was agreed to.

Mr. THOMAS of Oklahoma obtained the floor.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BROWN. I understand that the modification proposed by the Senator from Tennessee modifies the committee amendment contained in the first 13 lines on page 4, but that the committee amendment has not as yet been agreed to.

The PRESIDING OFFICER. That is true.

Mr. BROWN. The Senator from Oklahoma desires to offer a substitute for the committee amendment.

Mr. THOMAS of Oklahoma. Mr. President, that is not correct. I desire merely to add one sentence at the end

of the section. I do not desire to change the committee amendment, or to change the amendment offered by the Senator from Tennessee. I desire to offer an amendment adding one additional sentence to this section, if such an amendment be in order.

The PRESIDING OFFICER. The committee amendment is open to amendment.

Mr. THOMAS of Oklahoma. I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Oklahoma to the committee amendment will be stated.

The CHIEF CLERK. On page 4, at the end of line 13, in the committee amendment, it is proposed to add the following new paragraph:

For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

Mr. THOMAS of Oklahoma. Mr. President, I shall occupy only a few moments in explanation of my amendment. The amendment is offered by order of the Committee on Agriculture and Forestry. During the past several days the Committee on Agriculture and Forestry has been in conference with various farm groups. These groups embrace the American Farm Bureau Federation, the Grange, and the National Council of Farmer Cooperatives. I am advised that this amendment is approved by each of these organizations. In support of that statement I submit for the RECORD at this time a letter which I have just received from the National Council of Farmer Cooperatives, and ask that the letter be read at the desk.

The PRESIDING OFFICER. Without objection, the letter will be read.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. Purely as a matter of procedure, I wonder whether the Senator from Oklahoma and others interested in the amendment would be agreeable to permitting the Senate to dispose of other committee amendments and then return to this amendment, inasmuch as it is the most controversial of all.

Mr. THOMAS of Oklahoma. The Senate has just considered one amendment to the committee amendment, and I am submitting a second amendment to the committee amendment. I understand that it is in order.

Mr. BARKLEY. There is no question about that.

Mr. THOMAS of Oklahoma. I shall consume only a brief time in explaining the amendment.

Mr. BARKLEY. Does the Senator prefer to go ahead with his explanation now?

Mr. THOMAS of Oklahoma. Inasmuch as I have started, I think it would be proper.

The PRESIDING OFFICER. Without objection, the letter referred to by the Senator from Oklahoma will be read.

The Chief Clerk read as follows:

NATIONAL COUNCIL OF
FARMER COOPERATIVES,

Washington, D. C., September 21, 1942.

Hon. ELMER THOMAS,
United States Senate,
Washington, D. C.

DEAR SENATOR THOMAS: The National Council of Farmer Cooperatives, representing 4,500 farmer cooperative business organizations with a membership of over 2,000,000 farmers in every State in the Union, on Monday, September 21, gave full approval to the amendment proposed by Senator HATCH of New Mexico and yourself to Senate Joint Resolution 161, which reads:

"On page 4 at the end of line 13, add the following paragraph:

"For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor."

In response to a Nation-wide demand, 100 delegates, representing every important agricultural State from Maine to California and from Washington to Florida, and representing every major branch of agriculture, assembled in Washington, Monday, and without a dissenting voice, voted their support of the Hatch-Thomas amendment.

It was their unanimous opinion that the establishment of any ceiling on farm products which fails to include farm labor as an item of cost, is unfair to agriculture, consumers, and every segment of the national economy. They feel that not only will such a ceiling fail of its purpose, but that it will induce a disastrous curtailment of agricultural production in 1943.

Far from alone in their convictions, they are joined in support of the Hatch-Thomas amendment by the National Grange, American Farm Bureau Federation, and the Chamber of Commerce of the United States. The three farm organizations are authorized to speak for fully 90 percent of the Nation's farm families, while the Chamber of Commerce expresses the sentiments of the Nation's leading businessmen.

At no time in its history has this Nation been in greater need of maximum production of the food and fiber produced for its farms and ranges. Yet farmers are being asked to accept prices that make payment of current high farm wages impossible. The result is that farm laborers, farm boys and girls, and even farm operators are leaving the farms for the high pay and short hours of industry. A rapid rate of induction of farmers and farm workers into the military services further handicaps production.

If farm prices are to be placed under rigid control, as the President has demanded, farm production may be expected to decline disastrously in 1943 as farmers lose more workers when they can no longer pay. The rate of abandonment of farms may be expected to show a startling increase.

It rests with Congress to write into the pending price-control legislation some protection, not alone that farmers may continue to produce, but that American consumers, the military services, and the people of the United Nations may continue to receive the food and fiber so vitally needed if we are to win this war for freedom.

We appreciate your willingness in taking the leadership in sponsoring the Hatch-Thomas amendment to S. J. Res. 161, and we believe that when properly understood, the inclusion of farm labor in the computation of parity will be seen by the public to be not only fair and just, but essential to maintenance of production at present high levels.

Respectfully submitted.

H. E. BABCOCK, President.

Mr. THOMAS of Oklahoma. Mr. President, I wish to call the attention of the Senate to one sentence in the letter which has just been read. That sentence is to the effect that the Chamber of Commerce of the United States has considered the amendment and is on record in favor of its adoption.

At this point I submit for the RECORD a copy of a telegram just received, signed by Edward A. O'Neal, president of the American Farm Bureau Federation; Albert S. Goss, master of the National Grange; H. E. Babcock, president of the National Council of Farmer Cooperatives; and Charles W. Holman, secretary of the National Cooperative Milk Producers Federation. I submit the telegram and ask that it be printed in the RECORD as a part of my remarks. I do not ask that the telegram be read, because the substance of it is contained in the letter which has just been read from the desk.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., September 21, 1942.
Senator ELMER THOMAS,

Washington, D. C.:

The responsibility for the future food and fiber supply of the Nation must rest squarely upon the shoulders of those who deny the farmers the opportunity to meet the costs necessary for maximum production.

In the opinion of the undersigned, whose members produce most of the food and fiber raised in this country, amendments to the pending price-control bill, which will make mandatory the inclusion of all farm labor costs in establishing farm price ceilings, are necessary to protect the Nation's food and fiber supply. We strongly urge that you support such amendments. The danger of inflation is far greater from uncontrolled wages than from farm prices. Industrial wages are 38 percent above first World War peak, while farm prices are 37 percent below.

EDWARD A. O'NEAL,
President, American
Farm Bureau Federation.

ALBERT S. GOSS,
Master, the National Grange.

H. E. BABCOCK,
President, National Council
of Farmer Cooperatives.

CHARLES W. HOLMAN,
Secretary, National Cooperative
Milk Producers Federation.

Mr. THOMAS of Oklahoma. Mr. President, this morning the Senate Committee on Agriculture and Forestry met, with 15 members present. After a full consideration of the text of the amendment a vote was had, and the amendment was approved by a vote of 14 for it to 1 against it. I simply submit these statements as matters of fact for the RECORD.

Mr. President, the amendment, if agreed to, will have the effect of modifying the general principle with relation to parity. That principle is stated in the Agricultural Adjustment Act of 1938. On page 9 of that act we have the statement of principle with respect to parity, which reads as follows:

Sec. 301. (a) General definitions.—For the purposes of this title and the declaration of policy—

(1) "Parity," as applied to prices for any agricultural commodity, shall be that price

for the commodity which will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the base period; and, in the case of all commodities for which the base period is the period August 1909 to July 1914, which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, and freight rates, as contrasted with such interest payments, tax payments, and freight rates during the base period.

If the amendment be agreed to, it will add one additional element to go into the parity concept; and that is the element of farm labor. If the amendment becomes a part of the law, the authority which from month to month makes up the parity price will be authorized to include in the parity formula the element of labor costs along with the elements of taxes, interest, and freight rates. That is the whole force and effect of the amendment.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. Will the Senator define what is meant by "farm labor," as that expression is used in the amendment?

Mr. THOMAS of Oklahoma. Mr. President, in answer to the question I shall read one or two paragraphs from the statement prepared by the group of agricultural organizations sponsoring the proposed legislation. I read now from the typed copy furnished our committee:

EXPLANATION OF AMENDMENT

The proposed amendment to section 3 of Senate joint resolution 161 provides for the inclusion of all labor performed on the farm in the production of agricultural commodities for the purpose of computing parity. The inclusion of this farm-labor factor is for purposes of maximum prices only.

Specifically, the amendment requires the inclusion in the parity-price calculations, when used for ceiling purposes in order that full weight may be given to the sum of the hired labor, the family labor and the operator's labor used on the farm in producing agricultural products.

That is the interpretation given by the sponsors of the amendment.

Mr. LUCAS. Mr. President, will the Senator yield for one further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. I should like to know how the determination would be made as to what farm labor is under the amendment, and I should like to know who would make the determination—whether there would be a determination of farm labor rates throughout the country; whether a different rate would be determined in the New England States, in the Corn Belt—which is the country from which I come, and in the cotton districts of the South; or whether any consideration has been given by the committee as to how such rates would be determined. Thus far, no evidence whatsoever has been submitted by anyone from the Department of Agriculture as to how the rates are to be determined from an administrative standpoint. I should like to have some enlightenment upon that point by the able Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, the present parity formula is only a principle. There is no law vitalizing that principle. The parity principle is stated in the broadest language. It merely includes interest, taxes, and freight rates. It does not include labor. The principle states that the farmer is entitled to receive sufficient money for any commodity he produces to enable him to buy a corresponding amount of the articles of industry at any particular time. That is a broad statement of principle. The Department of Agriculture, operating through the Bureau of Agricultural Economics, administers the program. That Bureau of the Department of Agriculture figures out what it construes to be the proper interest factor, and what it construes to be the proper tax and freight factors. If the factor of labor is added to the law, the same authority will use its own judgment in determining the proper labor factor. Inasmuch as the other factors are not defined more fully, and inasmuch as the amendment proposes only an addition to a principle, I am not prepared to write here on the floor of the Senate the formula which would answer in detail the question submitted.

I am of the opinion that very soon an effort will be made to perfect the formula, so that anyone who will read it will be able to understand it, and so that anyone, whether in the East, the South, the North, or the West, who will make the effort to do so will be able to figure it out if he has the figures with which to make the calculation.

At the present time we do not have a definite formula. It is wholly in the mind of the managers of the Bureau of Agricultural Economics. After the figures have been arrived at, the Secretary of Agriculture has the power to adjust the figures by making allowances for seasonal differentials, location, the cost of transportation, and items of that character.

So at present the parity formula is stated in a broad way; and to the administration of the Department is left the task of arriving at some figure, and that figure is what the Department thinks the price should be.

Mr. LUCAS. Mr. President, will the Senator yield?

DEBATING OFFICER. Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. THOMAS of Oklahoma. I yield to the Senator from Illinois.

Mr. LUCAS. The Senator has discussed the previous formula which makes up parity. Of course, taxes are certain; interest is certain; freight rates are certain; but I am wondering whether the Senator has in mind the labor that is done on the farm by the owner of the farm; whether he includes the labor that is performed by the housewife on the farm; whether he includes—I know it should be included—labor performed, for instance, by the tenant if he is employed by the farmer. In other words, in the event this proposed legislation shall be enacted I think the Congress itself should incorporate in it an explicit defi-

nition of the term "farm labor." The Agricultural Department, which will have to administer the act, should be definitely advised as to what the Congress means by "farm labor." I think that an amendment should be offered to the joint resolution by someone who is interested in the passage of the measure defining this term. Whom does it include? The individual who owns the farm and who works on the farm is performing farm labor, the housewife is performing farm labor, the hired man or the individual who comes along to help out the farmer in his work is performing farm labor. I am wondering whether the Senator means to include all these individuals in the definition of "farm labor." I am honestly attempting to analyze the term "farm labor" for the purpose of passing it on to the Department which must ultimately administer the act, because it will make a great difference whether we include all the elements or only a part of them.

Mr. HATCH. Mr. President, will the Senator from Oklahoma yield to me?

Mr. THOMAS of Oklahoma. I yield to the Senator from New Mexico.

Mr. HATCH. I will say to the Senator from Illinois that we will include all the elements mentioned, every one of them. Does the Senator from Illinois draw a distinction between the labor of the farmer, his wife, and his boys and girls?

Mr. LUCAS. No; I have drawn no distinction between any of them. I am asking only for information; but now that the Senator from New Mexico has said that he would include the farm labor of these various individuals—

Mr. HATCH. I certainly would.

Mr. LUCAS. I honestly believe that serious difficulty will be encountered in administering the act. I should like to know what the Department of Agriculture might say upon that question. I shall have more to say upon the amendment in my own time.

Mr. HATCH. So shall I.

Mr. LUCAS. I am very much interested in the farmer's problems, rather than fooling him. If, however, we are going to adopt the amendment, I want the Senate of the United States to define what they mean by "farm labor." I think that the farmer is entitled to know what the Senate means by "farm labor," and I think the Agricultural Department would be glad to invite the Senate to write a definition of farm labor into the measure.

Mr. HATCH. Mr. President, will the Senator from Oklahoma yield to me?

Mr. THOMAS of Oklahoma. I yield further to the Senator from New Mexico.

Mr. HATCH. It is not so difficult to frame a definition of farm labor. I really cannot quite understand why the opposition arises to this amendment. I spent the younger years of my life in southwestern Oklahoma, where men came and said, "Me and my force can do so much work." Does the Senator from Illinois understand what "me and my force" means?

Mr. LUCAS. Yes; I understand it just as well as does the Senator from New Mexico. I was raised right on the farm.

Mr. HATCH. No; I do not think he was.

Mr. LUCAS. The Senator is not challenging my statement, is he?

Mr. HATCH. Oh, no; certainly not. What I meant was simply this, Mr. President, that the man in southwestern Oklahoma who referred to "me and my force" meant his wife and his children. Talk about the cost of farm labor. Do you know, Mr. President, what that cost includes? I will state what it includes. It includes the labor of boys and girls who did not start to school in September. Why? Because they were needed on the farm to pick cotton, and they picked cotton through September, October, and into December. Then they went to school for a few months. I went to school with them, and know what I am talking about. When April came did they finish school? No. They went back to the farm and chopped cotton through April and May.

Mr. LUCAS. That is probably the reason the Senator is now here.

Mr. AIKEN. Mr. President—

Mr. THOMAS of Oklahoma. I now yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I see no reason why anyone should attempt to confuse the question now before the Senate with the suggestion that difficulty may arise because of the lack of a formula about what constitutes farm labor. Our Federal agencies already have formulas which they must use in computing the value of farm labor; otherwise, they would not be able to tell us from month to month what the average farm-labor costs are by the hour, the day, and the month.

Further than that, they know, approximately, how much farm labor is required to produce a bale of cotton, a hundred pounds of milk, or any other farm commodity. I do not think, for a moment, we should let this matter become confused by the injection of the question as to what constitutes a fair formula for farm labor, for we already have such a formula.

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. THOMAS of Oklahoma. After making a brief statement, I shall be glad to yield to the Senator from Ohio. The principle as written into the law refers first to interest. There is no direction in the law as to how the interest item shall be computed. The interest rate in my State may be different from what it is in some other States. In my State, until recently, the interest rate was at a rather high figure. More recently the interest rate has fallen. Take taxes, for example; taxes are not the same in any two States. Take freight, for example; in my section of the country freight rates are the highest back in the interior. The border States have lower freight rates, as a rule. So we have given no directive up to date to the Department as to how it shall figure interest or as to how it shall figure taxes or as to how it shall figure freight. Therefore, in this amendment we did not undertake to direct the Department in a particular way as to how it should figure labor. If we can adopt the principle, then it

will be up to the Department to work out the details; if we cannot adopt the principle, then, it is obvious that we cannot adopt the details, anyway. I now yield to the Senator from Ohio.

Mr. TAFT. I wanted to ask the Senator a question. Do I understand that the important factor is the increase in the cost of farm labor between the period of 1912 and the present date?

Mr. THOMAS of Oklahoma. The cost of labor has increased.

Mr. TAFT. It has, but is that a factor to be considered or is it only to be considered as farm labor has increased more than city labor in construing the cost of farm labor?

Mr. THOMAS of Oklahoma. Labor has never entered into the calculation up to date. We are trying to get the Department to calculate labor or to add as one of the factors to be considered in arriving at a parity price. Up to date it has not been done.

Mr. TAFT. I was curious to know how it is to be done, and what is the formula that is supposed to be used. I understand the Senator to say there is such a formula, and I wanted to know if there could be some explanation given of the formula.

Mr. THOMAS of Oklahoma. Let me ask the Senator from Ohio, what formula is used in calculating the interest rate in arriving at parity?

Mr. TAFT. I do not know, but there must be some formula used or they could not come to a conclusion.

Mr. THOMAS of Oklahoma. What formula is used in calculating freight rates?

Mr. TAFT. I do not know, but there must be some formula used, because they have come to certain conclusions. So there must be some method.

Mr. THOMAS of Oklahoma. If the Senator could explore the mind of the Administrator of the act he could probably find a formula. It is not written; it is not printed, and we could not drag it out of the witnesses. All we could get was that they arrived at a conclusion through a formula which pertains to prices. They have about 267 commodities represented in their formula.

Mr. TAFT. Can the Senator tell me how much the amendment with respect to farm labor, if adopted, would increase agricultural prices, on an average?

Mr. THOMAS of Oklahoma. The maximum which might be used to increase the present formula would be about 12 percent.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. In order to ascertain the need for the factor of labor in the parity equation, I asked the Bureau of Agricultural Economics for some figures on farm labor and industrial labor as of 1917 and as of today. The statement I have received is very short, and I should like to present it at this time.

Mr. THOMAS of Oklahoma. I yield for that purpose.

Mr. TYDINGS. I read from the statement:

The index number of prices received by farmers, 1910-14 equals 100) was 181 in August 1917 and 163 in August this year. The average farm wage rate per day without board for the year 1917 (monthly data not available) was \$1.98; on July 1, 1942, it was \$2.45. The average hourly earnings of factory workers for the calendar year 1917 was 31.1 cents, while the average in 1942 will be around 84½ cents. The number of people working on farms in 1942 will average 12 percent less than in 1917, but the quantity of agricultural products produced for sale will be about 45 percent larger this year than in 1917. In other words, production per worker is about 65 percent higher this year than in the third year of World War No. 1.

I asked the Senator to yield because farm wages increased from \$1.98 in 1917 to \$2.45 in July 1942, while industrial wages have increased from 31 cents an hour in 1917 to 84½ cents an hour in 1942. I think that pretty well illustrates the need for some consideration of labor costs in the parity formula.

Mr. THOMAS of Oklahoma. I thank the Senator from Maryland.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. In connection with the figures presented by the Senator from Maryland it seems to me we should keep in mind that the fact that industrial wages are taken into consideration in the parity formula. Automatically parity goes up as industrial wages increase, because it is not a question so much of prices, as of relative parity of purchasing power as between the present time and the base period of 1909 to 1914. So that regardless of the increase in farm wages, the greater increase in industrial wages has automatically, and must continue automatically, to drive parity up.

It may be that we should, in working out a parity formula, decide which increase we will take as a basis. We cannot take both. Manifestly it would be improper to take both the increase in industrial wages, which now goes into parity, and add to that figure the increase in farm wages. Instead of bringing the prices of farm products down, under the law, from 110 to 100, which was the objective in the President's recommendation and which has been testified as the objective on the part of the farm organizations, the amendment of the Senator from Oklahoma would increase them probably up to 120, if we add the increase in farm wages to the increase in industrial wages, and use both of them as a base for figuring parity.

Mr. TYDINGS. Will the Senator yield further?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. To show the Senator from Kentucky that I do not believe the facts bear out his argument, let me quote the prices of articles as of August 1917 and the prices of articles as of August 1942.

In 1917 beef cattle sold for \$8.54. In August 1942, they sold for \$11.30, showing an increase.

Hogs sold in 1917 for \$15.21. In August 1942 they sold for \$14.13, indicating a decrease.

Cotton sold in 1917 for 23.9 cents but in 1942 it sold for 18 cents, indicating a drop of almost 20 percent.

In 1917 wheat sold for \$2.19, but in August 1942 it sold for 96 cents, in other words, about 40 percent of its 1917 price.

In 1917 eggs sold for 30.5 cents. Today they sell for 32.2 cents, about the same price.

Milk in 1917 sold for 2.42 cents, and today it sells for 2.52 cents, approximately the same.

In 1917 corn sold for \$1.86, but today it sells for 83 cents, in other words, less than half.

Butterfat sold in 1917 for 37 cents. Today it sells for 40 cents, almost the same.

In 1917 cottonseed sold for \$57.98. Today it sells for \$44.04, which is considerably less.

I will not read all the items, but the prices of agricultural commodities as of today, compared with the prices of agricultural commodities in 1917, are, on the whole, less.

Mr. BARKLEY. Mr. President, will the Senator from Oklahoma yield again?

Mr. THOMAS of Oklahoma. I do not desire to retain the floor, and I shall be very glad to have the facts brought out, so I shall be glad, if the Chair will permit me, to yield for this colloquy.

Mr. BARKLEY. There was no price control in 1917, or at any other time during World War No. 1. A Food Administration was set up, which was operated by Mr. Hoover, and minimum prices were fixed for certain products. For instance, I think the price of wheat was fixed at about \$2.50 a bushel, but there was no price control act, or anything approximating the act we have now, in force at any time during World War No. 1. I do not know to what extent that would be considered in connection with a comparison of prices then and now. We all know, however, that prices, not only during World War No. 1, but following that war, were out of line, and produced an inflation which resulted in bankruptcy for millions of our people, and one of the things we have sought to guard against during the present war has been runaway prices, such as we all experienced, and can remember, as a result of there being no control, at the time, of the prices to which the Senator refers.

Mr. TYDINGS. Will the Senator from Oklahoma permit me to conclude my statement?

Mr. THOMAS of Oklahoma. I further yield to the Senator from Maryland.

Mr. TYDINGS. The point I am attempting to make is that I do not wish to ask for or support any legislation which will give the farmer any advantage at all over other citizens of the country, nor do I wish to support any legislation which will give the industrial workers any advantage over the other citizens of the country. I may err, but what I am trying to do is to give all an equal standing in the whole economic set-up.

A study of the records shows that as of August 1942, which is a good many months after Pearl Harbor, as compared with August 1917, which was a short time after we declared war, prices are

now lower, on the whole, than they were in 1917. No one will say that agricultural implements, or fertilizer, or the other things which the farmer has to buy today, are not higher in price than they were in 1917, because the record shows that they are higher. I think, therefore, that we should attempt to find an equation which will put the farmer on a basis of equality with industrial labor.

I represent in part a State which is primarily industrial. We do not have as large a farming population as we used to have, but I have reached the conclusion that the farmer cannot get labor today at the price at which he could get it 2 weeks ago, or 2 months ago, because in the State of Maryland that class of labor has been siphoned off into the big war plants, where wages are high. Crops are rotting in the fields, in many cases, and farmers are selling their dairy herds and other things because they cannot get the help they need.

I am afraid that sometimes in our zeal to do what we think may be the right thing, we will wind up with a food shortage in the country, because we will not have given the man who has not the labor to harvest his crop the help and encouragement which he has to have in order to produce a crop such as is necessary if this country and our Allies are to have food with which to fight and win the war.

Mr. THOMAS of Oklahoma. Mr. President, upon that point, let me say that prices of farm commodities today are not one-half as high as they were at the end of World War No. 1. At that time wheat sold for more than \$2.50 a bushel. Wheat is selling today for about \$1.10 or \$1.12 a bushel. At that time cotton sold for 42 cents a pound. Yesterday cotton futures sold for less than 18 cents a pound.

Mr. REED. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. REED. Let me remind the Senator from Oklahoma that the August price of wheat on the farm was 95 cents.

Mr. THOMAS of Oklahoma. The record shows that the average price the farmers received for their wheat during August was 95 cents a bushel, 5 cents less than a dollar. Yet we hear throughout the country, at the hands of certain newspapers and certain columnists, that the farmers are profiteering; that they are getting rich at the expense of the industrialists and the laboring people of the country.

Mr. REED. Will the Senator yield further?

Mr. THOMAS of Oklahoma. I yield.

Mr. REED. I do not ask the Senator from Oklahoma to agree, because he belongs to the party at present in power, but I say the columnists and others who make the claim to which the Senator has referred find their greatest source of encouragement in the misleading and prejudicial statements made by the President in his message.

Mr. THOMAS of Oklahoma. The facts speak for themselves.

Mr. HATCH. Mr. President, will the Senator from Oklahoma yield to me?

Mr. THOMAS of Oklahoma. I yield.

Mr. HATCH. I wish to ask the Senator a question. I do not think the President of the United States has ever made a misleading statement. I think the President of the United States fully understands the entire agricultural situation of this country, so far as he is individually concerned. I am not so sure about his advisers.

Mr. REED. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. THOMAS of Oklahoma. I have yielded to the Senator from New Mexico. When he concludes, I shall be glad to yield to the Senator from Kansas.

Mr. HATCH. As I have said, the President fully understands, so far as he individually is concerned, the entire agricultural situation of this country. I am not so sure about his advisers. I should like to ask the Senator from Oklahoma—

Mr. REED. Mr. President, will the Senator from Oklahoma yield to me for a moment?

The ACTING PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Kansas?

Mr. THOMAS of Oklahoma. I have yielded to the Senator from New Mexico first. When he shall have concluded, I shall be glad to yield to the Senator from Kansas.

Mr. REED. While the Senator from New Mexico is examining some papers I should like to amend what I said.

The ACTING PRESIDENT pro tempore. Does the Senator from Oklahoma yield for that purpose?

Mr. THOMAS of Oklahoma. I yield to the Senator from Kansas.

Mr. REED. I amend my statement by stating that whoever wrote the President's message, be it the President or his advisers, made some very prejudicial statements.

Mr. THOMAS of Oklahoma. I now yield to the Senator from New Mexico.

Mr. HATCH. I may say that I am very fond of the President of the United States, and I think he thoroughly understands the entire situation in this country when he receives proper information and advice. Of course, the Senator from South Carolina is disagreeing with me.

Mr. SMITH. Yes, I am.

Mr. HATCH. Anyway, what I started to say to the Senator from Oklahoma is, if he would include in the amendment the words "shall also include the cost of all farm labor"—

Mr. THOMAS of Oklahoma. Mr. President, inasmuch as the Senator from New Mexico is the joint author of the amendment, at the proper time I shall be glad to confer with him with respect to amending our amendment.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Texas.

Mr. CONNALLY. I wish to ask the Senator from Oklahoma a question with respect to parity. My information is that parity was adopted in peacetime. It was supposed to reflect a certain relationship between agricultural prices and industrial prices. Someone said the other

day that parity was a good standard in peacetime and in wartime. If parity is to be a wartime price, and farm products are to be pegged at parity, why should wages which are paid out because of war be advanced to high levels? The farmer should be entitled to the same consideration with respect to his increased labor cost as industry is.

Mr. THOMAS of Oklahoma. The Senator suggests the very impelling argument that in these wartimes wages have gone up and are continuing to go up.

Mr. CONNALLY. Because of the war.

Mr. THOMAS of Oklahoma. Salaries have gone up and are continuing to go up. That makes it necessary for industry to charge more for what industry produces. That makes industrial wages and salaries go up. As salaries and wages in industry go up, prices of many industrial products go up.

Who can justly say that the farmer shall not receive consideration for the money he has to pay in wages necessary to operate his farm?

Mr. BARKLEY. Mr. President, I do not like to interrupt the Senator, but I ask him if he will yield for a moment?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. The very fact that industrial wages and other costs go up automatically raises the farmer's parity. If they go up 100 percent they would be reflected by 100 percent increase in his prices.

Mr. THOMAS of Oklahoma. Mr. President, the Senator is slightly wrong in his conclusions, because wages as such are not included as one of the items upon which parity is computed. There are about 265 items in the list of commodities upon which parity prices are computed, and wages is not one of them. Wages may enter into the cost of so much steel, so much iron, so much powder, and so much this, that, and the other, but only indirectly. Wages of themselves do not figure in the parity equation.

Mr. BURTON. Mr. President—

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Oklahoma yield to the Senator from Ohio?

Mr. THOMAS of Oklahoma. I yield.

Mr. BURTON. It is exactly on that question that I wish to inquire of the Senator from Oklahoma. As I understand his amendment, it would be added at the end of section 3, and therefore the provisions contained in lines 3 to 13 on page 4, section 3, would remain in the measure. Is it not a fact that under those provisions there is given to the President himself exactly this authority to include whatever may be necessary to meet a case of gross inequity, in this language:

Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case in which it appears that such modification is necessary to increase the production of such commodity for war purposes, or in which it is satisfactorily shown that by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities.

Therefore is it not a fact that if there is a case of gross inequity it will be remedied?

Mr. THOMAS of Oklahoma. The Senator from Ohio may be correct in his assumption that the President will have such power. I think the President, under the broad powers granted in the Constitution, and under the broad powers granted by acts of Congress, can do almost anything to further the war effort. If this could be construed as a factor or an act in furthering the war effort perhaps he could do such a thing. But that is only discretionary. He may have the power, but if he does not see fit to use the power, then, of course, he would not use it. Our amendment makes it mandatory that he shall do so and so; that is the purpose of the amendment.

Mr. BURTON. As I understand, then, the Senator is not willing to take a chance on the President's finding of a gross inequity in the case of labor contributing to farm prices?

Mr. THOMAS of Oklahoma. Mr. President, the statement suggests its own answer. It is a fact that most of the things farmers produce are not up to parity. Wheat is not up to parity, corn is not up to parity.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. As I understand the amendment I do not interpret it exactly as the Senator from Oklahoma interprets it. I should like to have his judgment as to what the words mean. The amendment says:

For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

Parity is not changed, no matter whether farm labor is included or excluded. Parity is the relative purchasing power of agricultural products for industrial products, or industrial products for agricultural products, and parity would not be changed. So far as I can see all that the Senator is doing by his amendment is to direct the officials who fix the prices to take into consideration the labor factor, but necessarily the old parity formula remains the same. Am I wrong about that?

Mr. THOMAS of Oklahoma. The parity formula remains the same, except one element is added as a mandatory consideration by those who work out the prices.

Mr. TYDINGS. That is true, but was not labor a part of the agricultural cost previously?

Mr. THOMAS of Oklahoma. It was not.

Mr. AIKEN. No.

Mr. TYDINGS. Certainly it was, because the farmer's purchasing power, using agriculture as a medium of exchange, to a certain extent was measured by the cost of the farmer's labor. Without any reference to the amendment, suppose farm wages were doubled; that would automatically drive up the price of agricultural commodities. The amendment does not provide that the labor costs shall be added to parity. It

provides that they shall be considered in connection with parity. The Senator from Oklahoma does not seek to impose them on parity.

Mr. THOMAS of Oklahoma. We place labor in the same relationship to parity prices as freight rates are to parity prices or interest rates or taxes.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. AIKEN. I should like to say in answer to the Senator from Maryland that if farm labor prices went up 1,000 percent they would not add anything to parity, because, as weighted, the various elements of farm costs—

Mr. HATCH. I have the figures as they would be under the amendment of the Senator from Oklahoma.

Mr. AIKEN. I have them as they now are. As weighted, the various elements of farm costs are as follows: 86 percent to commodities purchased, 7.2 percent to interest paid, 6.8 percent to taxes, absolutely nothing at all to labor. If the amendment is adopted there would be a weighting of 53.1 percent given to commodities purchased, 4.5 percent to interest, 4.2 percent to taxes, and 38.2 percent to farm labor, that is, all farm labor, including family labor, making 100 percent in all.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. The Senator said that if farm wages went up 1,000 percent it would not affect the parity situation with reference to agricultural products. Let me ask this question: Suppose industrial wages went up 1,000 percent, would that affect the parity equation in reference to agricultural products?

Mr. AIKEN. That would depend on what the industrial workers were making. If they were manufacturing things that the farmer buys it would affect the farmer's parity, but if they were making gunpowder, airplanes, cannon, war goods, as they are, that would not affect farm parity. Nevertheless, that is the competition for labor which the farmer has to meet. It makes him very badly off, for he simply cannot compete with war industry.

Mr. TYDINGS. What would happen if industrial wages did go up 1,000 percent? What would be the effect on parity?

Mr. THOMAS of Oklahoma. Mr. President, I should like to answer that question, supplementing what was said by the Senator from Vermont. The things that industry produces now do not go into the equation with respect to parity prices. At no place does the Department figure cannon as an element for parity, or gunpowder, or airplanes.

Mr. TYDINGS. I mean if they were producing things which we normally use. If they were producing things which we normally use, and wages should increase 1,000 percent, what would be the effect on agriculture?

Mr. THOMAS of Oklahoma. If wages should go up in industry, causing the things which enter into the calculation to rise in price, that would affect the parity of agricultural products. For ex-

ample, if the prices of wagons and sugar should go up—

Mr. TYDINGS. I do not mean the prices of the finished products. I am speaking only of wages, which are a large part of the price.

Mr. THOMAS of Oklahoma. If wages should go up in industry, the price of a binder, an ax, a hammer, or a pound of nails would rise, and, of course, that would affect the prices of agricultural products, because a relationship is established between the agricultural commodity and the thing which the farmer must buy. He must buy binders, nails, and articles of that character.

Mr. TYDINGS. That is correct; but that relationship is based upon a situation which existed a number of years ago. If agricultural wages should increase, why would not the same situation prevail?

Mr. THOMAS of Oklahoma. Mr. President, if wages in industry increase, causing the farmer to pay more for the things he must buy, if he is not permitted to include wages in his equation, he is at a great disadvantage.

Mr. TYDINGS. The point I make is that if wages increase, and the cost of industrial products goes up, that automatically causes the farmer's prices to go up. Otherwise, there would be no parity. We cannot get away from that argument.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Alabama.

Mr. BANKHEAD. Let me suggest to the Senator from Maryland that the parity may be theoretically the same, but the trouble is that if the cost of production on the farm, which is not considered in computing parity, goes up, then the farmer has more deductions from the amount of money which he receives.

Mr. TYDINGS. The point I am trying to establish—and I do not wish to leave the point without establishing it—is that if industrial wages increase a thousand percent, thereby increasing the cost of industrial articles, that automatically increases the cost of agricultural products, because parity must go up and down. Otherwise there is no parity.

Mr. BANKHEAD. It does not do so unless, as the Senator from Oklahoma indicated, industrial production is devoted to the things which the farmers buy. If it is not, it has no direct effect on the farmers. I am trying to state the situation as I understand it. I know that the Senator is seeking information.

Mr. TYDINGS. I wish to understand the problem.

Mr. BANKHEAD. Suppose parity on cotton is 20 cents a pound, and, to make the case clear, suppose that industrial prices go up on the things which the farmer buys. Theoretically the farmer's parity, we will say, is 20 cents a pound. As the thing which he buys goes up, the parity of 20 cents goes up.

Mr. TYDINGS. That is correct.

Mr. BANKHEAD. But he has an additional large element of cost at this time.

Mr. TYDINGS. Yes; but he is getting more for his goods.

Mr. BANKHEAD. No; he is not. He is paying out more. He is paying out of his parity price the increased cost of farm labor. A part of the purchase money goes to pay labor, leaving that much less of his money with which to buy goods. With the money he receives he can buy less goods at parity prices because he has less money. He is paying out more money to get the 20 cents, so on a net basis he is out of line with parity. Does the Senator understand the idea?

Mr. TYDINGS. Yes. I have no objection to including labor as one of the elements to be considered in the so-called general equation, but if the definition establishing parity remains the same, we are fighting a sham battle.

Mr. BANKHEAD. The trouble is that he does not have as much left out of the 20 cents when he gets through. For the same number of units he does not have the same amount of money left.

Mr. BONE. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield to the Senator from Washington.

Mr. BONE. I wish to try to simplify this problem in my own mind if I can. A little while ago the Senator from Ohio [Mr. BURTON] asked a question, and he seemed to me to have arrived at a conclusion which satisfied him, and that is that under the terms of the joint resolution as it is now written the President would have power to make these adjustments. It would be purely discretionary. It is my understanding that the Senator from Oklahoma and the Senator from New Mexico now desire to translate that discretionary power into a mandate from Congress. Am I correct in that assumption?

Mr. HATCH. Mr. President, will the Senator yield to me for a moment?

Mr. THOMAS of Oklahoma. I yield.

Mr. HATCH. All I wish to say in answer to the Senator from Washington is that I wish to make it mandatory.

Mr. BONE. In other words, the Senator wants a mandate from Congress, instead of a mere permissive power given to the President?

Mr. HATCH. Exactly.

Mr. BONE. That simplifies the issue so that we may know what we are fighting about.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ELLENDER. With respect to the inclusion of hired labor and other labor on the farm in the price index, I have some figures which I obtained from the Department of Agriculture just a few minutes ago which I would like to submit to the Senate. They show how the index rises if hired labor and other labor used on the farm enters into the calculation. For example, the index for August is 152. If we add to that index the amount paid by the farmer for hired labor alone, it rises to 157; but if we also add the cost of the labor of the farmer, his wife, and children, the index rises from 152 to 168. I was told by the head of the Bureau of Agricultural Economics that it is an easy matter for the Bureau to establish what the cost of labor is,

whether it be hired labor or labor of the farmer and his family, or both. So there would be no problem at all if we should adopt the amendment offered by the distinguished Senator from Oklahoma. I am convinced that if we do not compensate the farmer for his additional labor costs he will be unable to remain in business. I am hopeful that the amendment will be adopted. Since it is necessary to raise the price of labor because of war, by the same token we should raise the price of farm commodities. It is common sense that the price of farm products should keep pace with the cost of labor that the farmer must pay to produce his products.

Mr. THOMAS of Oklahoma. Mr. President, I desire to make one or two further statements. I wish to state positively that we do not now have inflation in the United States. Anyone who challenges that statement must fix the point or line at which we left deflation and entered upon inflation. The line which has been fixed is the general price level of 100. We have not yet reached a general price level of 100. In 1926 the administration fixed 100 as the general level of prices. After 1926 the price level fell. It went as low as 64 in 1932 and 1933. For the past 10 years we have been trying to get the price level up above 64 and 65. We have been successful, until today the price level is approaching 100. It has not yet reached 100. Last Thursday the price level was 99.2, or eight-tenths of 1 point below 100. So it is my contention that until the general price level reaches 100 we are as a Nation still in deflation. When the price level advances beyond 100, to the extent that it advances beyond 100 we shall then be in inflation; and as the price level goes up, of course, inflation will increase.

During the World War we had a price level which was very high. In order that the figures may be in the Record, I shall read two or three of them at this point.

In 1917, the first year of our participation in the World War, the price level rose to 117.5. In 1918, the second year of our participation in the World War, the general price level rose to an average of 131.3. In 1919, the year after the World War, the price level rose to 138.6; and in 1920 the average price level was 154.4.

The price level on last Thursday was 99.2, which is approximately 55 percent below the high point reached in 1920. So those who contend that we are now having unparalleled inflation, that the spiral of inflation is on us, and that it is rising, are mistaken. The trend since May has been almost in statu quo. It has been neither upward nor downward. In some weeks since May 1942, the price level has been below what it was on the second day of May 1942. At the present time the price level is approximately the same as it was then. The prices of some things are higher, and the prices of other things are lower, but the average has not changed more than 1 or 1½ percent.

Mr. LEE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to my colleague.

Mr. LEE. I should like to have the attention of the Senator from Maryland [Mr. TYDINGS], since he asked a question which I do not think has been satisfactorily answered or illustrated. I think it is a good question. His point was that if the cost of labor to the farmer should increase, it would be reflected in the computation of parity, and the result would be the same so far as the farmer is concerned.

Let me illustrate the problem in this way. The result to the farmer would not be the same. For example, if the farmer raises a bushel of wheat, and wheat is selling at \$1.25 a bushel, and overalls are \$1.25 a pair, he can trade a bushel of wheat for a pair of overalls. Let us say that is parity. Then let us assume the cost of all labor increases 100 percent. Overalls would then sell for \$2.50, and the price of wheat, due to parity, would rise to \$2.50 a bushel. The farmer would still be able to trade a bushel of wheat for a pair of overalls; but the cost of producing the bushel of wheat when the farmer received \$1.25 for it was 50 cents, whereas now, because of the increased cost of labor, the cost of producing a bushel of wheat is \$1, so he is out 50 cents for the same overalls.

Mr. THOMAS of Oklahoma. Mr. President, I believe that Senators understand this question rather thoroughly. My amendment does not seek to go into details. If Senators feel that the element of farm-labor cost should enter into the formula, they will have an opportunity to vote on the question in a few moments, I hope.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. DOWNEY. Mr. President, it is my intention to cast my vote in support of the proposed amendment. Coming, as I do, from one of the greatest agricultural States of the Union, I wish for a period of only 5 minutes to state for the benefit of my constituents why I am supporting the proposal.

Let me say, Mr. President, that, in my opinion, unless our farmers in California are allowed to include the item of farm labor in computing the parity price, we shall not find it possible to produce any crops at all. If the joint resolution on inflation control is successful it will mean that industrial wages and industrial prices will be approximately frozen. Therefore, during the next year parity for farm crops probably will remain almost constant. But does that mean that the farmer will be in the same successful position that he now is in? It does not; because we shall find ourselves absolutely unable to freeze the price of farm labor if we are to have any men working on the farms. Indeed, in California the situation already is such that the costs of handling some crops are double what they were last year. Let us consider raisins, for instance. This year the cost of handling raisins and putting them into the hands of the wholesalers is double what it was last year; and for raisins the cost of labor is 80 percent of the cost of the entire product.

It is true that the situation which has developed on the floor of the Senate is largely due to a malformed social and economic structure. By that I mean that while our farm workers work harder than almost any other toilers in the entire social structure, their wages are only one-half or one-third of industrial wages. On the basis of present wages our farmers will not be able to get farm workers. It will be necessary for them, in my opinion, to increase the payments to their workers 50 or 75 or 100 percent; and if they are not enabled to do that they will not be able to produce their crops.

Some of the Members of the Senate around me are suggesting that we should freeze workers on their jobs at present pay. Mr. President, I say that that cannot be done. If we say to the farm worker, "You must work for 50 cents an hour doing harder work than that which is being done at the factory over the hill, where \$1 or \$1.50 an hour is being paid," of course the farmer will not be able to get any workers who will be worth anything to him.

Consequently, I want to make it clear that there are three reasons why I shall vote to allow farm labor to become a factor in the computation of parity. First, because I know that it will tend to lift the present submerged farm worker and give him a better status. A large portion of the added percentage will go to the farm worker who should have it, who now is working for \$40 or \$50 or \$75 a month.

In the second place, Mr. President, the per capita income received by the farmers of America is by far the lowest received by any segment of our social structure. The proposed slight addition to their standard of living, as represented by the present effort, if it is accomplished, would still leave farm workers as the lowest-income segment of any great group in America, but at least would give them some added benefit, as compared to what they now have.

In the third place, Mr. President, thousands of farmers in California will not even plant their crops if they are not allowed the proposed additional amount on the prices which they are to receive.

The answer to all that may be that under the joint resolution the President will have the power to do that very thing. Yes; he will. However, I do not believe that the Congress of the United States should be left in such a position that it might later be said that we did not make a congressional declaration of policy along the lines of the proposed amendment.

Consequently, Mr. President, I believe that in casting my vote for the amendment I shall be expressing a sentiment in favor of equity for the farmer, the farm worker, and in the interests of national defense; for unless either what is proposed by the amendment or something similar to it is done, we shall not have any food for next year, at least in the State of California, as to which I speak from personal knowledge.

Mr. TAFT. Mr. President, I wish to explain the reasons why I intend to vote for the pending joint resolution and also why I shall vote against the amendment

of the Senator from Oklahoma [Mr. THOMAS].

On September 7, the President sent to Congress a message, to some of the terms of which I violently objected at the time; but the program which he proposed, it seems to me, was a perfectly reasonable one. It was a program to give him the power to fix wages as we had given him the power to fix prices, and to remove from the Price Control Act the restrictions which we placed there which prevented him, and are still preventing him, from checking the increase in the price of some foods.

While I do not entirely approve of the provisions of the present joint resolution, in July I made a speech in the Senate in which I proposed very much the same program. I should like to read the conclusion of the speech and the program which I then proposed to prevent inflation:

First. Let the Treasury expand its borrowing program so that bonds may be sold almost entirely to corporations and to individuals instead of to the commercial banks.

That still is not done. We still face a tremendous amount of inflation in the sale of bonds.

Second. Revise the farm price floor to 100 percent of parity.

Third. Adopt the Ball bill to give the War Labor Board control of wages and salaries, with a provision that they should not increase wages more than provided in the recent Little Steel decision.

I understand that the Senator from Minnesota [Mr. BALL] proposes to offer an amendment which will add the proviso that they shall not be increased more than as provided in the Little Steel decision.

Fourth. Create an over-all commodity control board, with administrators to carry out the control.

Fifth. Gradually adapt the price-control measures to the stabilization theory instead of to the ceiling theory; and eliminate price fixing on all minor items which have no substantial effect on the cost of living.

The program of the President is almost exactly what I proposed at that time, and I think it is not different from that which has been universally advocated by those who sincerely desire to prevent inflation; because there is a real danger of inflation. I think everyone agrees that we cannot permit an increasing spiral in wages and in prices.

In the last 6 months, from May to August, prices have gone up at the rate of 15 percent a year. When we passed the price-control bill I expressed the opinion that we could not freeze prices and wages, but that we could hold them down to an increase of 10 percent a year, possibly gradually stabilizing them on the basis of an increase at the rate of 5 percent a year.

Now they are increasing more rapidly than that, and they are rising more rapidly for the very simple reason that it is impossible to restrain the rise in the price of food until it reaches a certain statutory figure. In the price-control bill we put certain floors under the prices of agricultural products, and they have prevented the Administrator from regulating many of those prices.

The President criticized Congress for putting in that provision and making that ceiling in some cases 110 percent of parity and in some cases more than 110 percent. He criticized Congress also, apparently, for failure to deal with the wage problem. I do not think that criticism was justified, certainly not from the President of the United States; for when the administration's bill dealing with prices was introduced in Congress it contained the provision with respect to the 110-percent-of-parity floor. We did not write that provision in the bill. The administration wrote it in. That provision was in the bill when it was before the House, and it was in the bill when it came to the Senate. I think that a majority of the members of the Committee on Banking and Currency were in favor of reducing the floor to 100 percent of parity; but the administration leaders felt it would be unwise to do so, and so the 110-percent provision remained in the bill.

So far as wage control is concerned, the Senator from Minnesota [Mr. BALL] introduced a bill which has been before the Committee on Education and Labor ever since last December. The bill provides for the fixing of wages and for the adoption of standards, and provides that no salaries or wages may be increased without the approval of the National War Labor Board under certain rules. Immediately there appeared before the Committee on Education and Labor, Miss Perkins, the Chairman of the National War Labor Board, and other officials of the Government concerned with wages, who said "Leave it to us. Do not legislate; do not impose any legislative standards; we will take care of wages."

The President in his seven-point message made the statement that wages should be controlled, and in his radio broadcast, which followed that message the same night, he said:

Do you work for wages? You will have to forego higher wages for your particular job for the duration of the war. Wages, in general, can and should be kept at existing scales.

Was this policy followed? It certainly was not. I think it will be very hard to find, until very recently, any decision of the War Labor Board which has not increased wages from time to time. The War Labor Board is the creature of the President, and has, presumably, followed the principles laid down by the President; but it has had, according to the testimony of its chairman, no word whatever from the President directly, no instructions to follow the principle declared in the broadcast, and no rules for their guidance. So I think when the President assumes to blame Congress for failure to control inflation he is simply omitting to state the real facts, for the things to which he objects have really been the policies of the administration which Congress has been willing to accept.

I think, however, that the President is fundamentally right with respect to price control. I do not think price control is so important as he feels it is. The price situation is about this: Meats are generally considerably above the floors in the Price Control Act. If today the President is complaining of the price

of meat, and if in his message he intended to give the impression to the people that he is being prevented from reducing the price of meat and beef and pork by the Congress, that would be a gross misrepresentation, because, under the powers the Congress gave him the price of meat could have been reduced two or three cents a pound for a considerable number of months. Those prices are above the floor fixed in the price control act. He has not reduced them. Why? Because he knows that if those prices were reduced he would reduce the production of beef and pork, which are so essential for war purposes. I think that those who are interested in beef and pork, having seen that, can well understand that it will not make any difference whether we reduce the floors or keep the floors where they are. Economic conditions are such that the President cannot possibly reduce the price of beef and pork.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Wyoming.

Mr. SCHWARTZ. Just so surely as we are here, if there should be a reduction in the price of beef and pork, we would not get the production of beef and pork the President says we must have.

Mr. TAFT. The Senator's statement is correct. The point I am trying to make is that nothing we do in the pending joint resolution, no amendment adopted, not even the enactment of the joint resolution itself, would, in any way, affect the price fixed for beef and pork. Today that is entirely in the discretion of the President, and will be in the discretion of the President under any legislation Congress is considering today or under any formula we may adopt. So, really, it is not an issue in the consideration of the pending joint resolution.

The second group of products is well below parity. Most of the grains are below parity, and they will not be particularly affected by the passage of the joint resolution. There is not much evidence that they are likely to go up; but they may go to a higher price under the existing price control law than they could if we enacted the pending joint resolution as introduced. I do not think that any of the farmers of corn and wheat and even cotton have any great interest as to whether the floor is at 100 percent or 110 percent; it is, in any event, well above the prices they are now receiving.

The third group of products is made up of products which have reached the 100 percent of the parity level, but have not reached 110 percent, and they, presumably, are likely to go to 110 percent or the highest ceiling which is provided in the price-control act, unless some action is taken to prevent that occurring. The most important of those products are potatoes, butterfat, chickens, eggs, and milk. Of course, they are products which are expensive to produce, and the cost of production has gone up. On the other hand, they are also products that enter vitally into the cost of living of every man, woman, and child in the United States, and it is true that if the prices of those products go up there

will be a further substantial increase in the cost of living.

I think we ought to permit the President to hold them where they are if he can. I think that if the cost of production does go up he will be forced to increase the prices of these commodities and let them go up. For that reason, to my mind, it does not make a great deal of difference in the end. They will probably go up faster if we do not pass the joint resolution. I am pretty well convinced that even if we enact the joint resolution 6 or 8 months from now these prices are going to go to 110, anyway. Under the O'Mahoney amendment to the joint resolution, which is now sought to be further amended, the President is given pretty direct instructions to consider the cost of production if he wants to get production; and he has got to count in the cost of labor. It may be necessary to let these prices go up; it may be that the cost of production will require it; but I believe we ought to give the President the power to control those products.

In any event, it certainly seems to me that we would be stultifying ourselves and doing an act which we cannot defend if we adopt the pending amendment, because, obviously, we are saying in effect, "All right, we will reduce the price from 110 to 100, and then we will change the definition of parity"—which nobody knows anything about—"so as to put back the price to 112½." That is the increase in the floor price of most products if we count in farm labor, as estimated by the Department of Agriculture. It seems to me that we cannot defend such a proposal.

If we are going to do that, why do we not abandon the entire joint resolution? What is the purpose of the joint resolution, anyway, except to give the President greater control over the price of farm products? He may or may not exercise it justly; I do not know what the result will be; but in a measure which is intended to give him greater power to control inflation to impose a restriction which will increase inflation, is an act which on its face would make the Senate ridiculous.

I think the farm organizations are making a great mistake in urging it. I urged upon those who came to see me that the best interests of the farmer demand that he take the position "If the President of the United States thinks it ought to be 100 percent, very well, but we want to see that it applies to everybody else; we want a corresponding provision for labor and want that control just as tight as we can get it; we are willing to sacrifice as much as anybody else."

After all, the business of price control is something we cannot handle. We cannot see that it is administered justly, though we can prescribe general standards, and we have prescribed them. Section 2 of the Price Control Act contains the cost of production basis that is sought in this amendment. We can prescribe control, but we cannot possibly carry out the details of price and wage adjustment. It is our duty to see that some standards are laid down, but

the actual conformance to them must be left to the discretion of the President or to some administrative board, just as we leave to the Interstate Commerce Commission the fixing of railroad rates in detail after we lay down a standard.

I myself have never believed very strongly in the freeze theory. I do not think the freeze theory will work. I think in wartime there are too many conditions existing. Take the question of farm labor; supposing we had frozen labor; suppose we had frozen everything a year ago, as some wished to do, farm labor would have gone on up because the maladjustment between farm labor and labor in the factories is such that, while in time of peace there is no direct competition, the moment there comes a drain on manpower labor is drawn off the farm, where it is paid less than it is in the cities. That condition was bound to arise, and it was bound to create an increased cost for agricultural production.

Then there would have had to be an increase in the price of agricultural products in order not to stifle production, and that, in turn, would have increased the cost of living, and it would have been necessary to adjust, to some extent, the wage level. The freezing theory is unsound, but we can give enough power to hold back gradually increases in farm prices, to hold back increases in labor, so that the net result in any year will not be so great as to threaten runaway inflation. I think it can be held to 10 percent, and possibly to as little as 5 percent, if sufficient power is given.

As I see it, the principal function of Congress in this war crisis is: First, to assist the war effort in every possible way. So far as the President's war powers are concerned, we rush the bills through as fast as they can go through. But, second, Congress does have the burden of working out the plans by which the costs of the war shall be equitably distributed among the various elements of our population. As I see it, that is our principal job today. We have to pass a tax bill which will impose the tax burden as equitably as possible. We may have to get a compulsory savings law which will impose the burden of buying bonds as equitably as possible.

We have to try to set up a method of adjusting prices and wages which will hold the scales as equal in that respect as they can possibly be held. In this field of price and wage regulation we cannot determine here that the farmer must have a certain amount, we cannot determine that the laborer must have a certain amount. We can say, "You must pursue a policy first of fixing all prices and wages where they are on September 15 and then adjusting them to correct inequities." That is what we do in the pending measure. In the first part of the joint resolution we say that the President must, in an order, which it seems to me must be one order, stabilize wages, prices, and salaries as of September 15 of this year. That is the basis. It is not a freeze, because we then give power, as we must necessarily give power, to increase those prices and wages.

We provide in section 2 of the Price Control Act that if costs increase, prices

must be increased. It may be that the Price Administrator has not done that in all cases. I know some in which he has not done it. But that is as far as we can go. We cannot assume responsibility for administrative failure. If we are to do anything to control inflation, the only thing we can hope to do is to set up machinery which will work as well as human institutions can work, perhaps with some injustices, to fix prices, to fix wages, and hold them as closely as possible to the September 15 level.

There is one highly interesting fact that was very apparent to me in the hearings on the joint resolution. The farm organizations were against the joint resolution, not so much on account of the principle, but because they felt that those administering the law were going to be hard on the farmer.

They thought that those administering the law would have no sympathy with the farmer, that they would use all the powers granted in the joint resolution against him. On the other hand, the labor leaders apparently felt that they would receive the most sympathetic possible treatment. In fact, it is not entirely certain that they have not received an assurance that they will receive such treatment, because Mr. Green testified rather interestingly:

We have discussed this matter—

That is, the matter of the pending measure—

We have discussed this matter with the President during the last few weeks. I am sure I am not betraying any confidence when I say to you that numerous conferences were held between representatives of labor and the President dealing with this particular subject; and, in my opinion, at those conferences we arrived at a pretty definite understanding. I think you gentlemen have embodied in the proposal now under consideration very largely that understanding, or at least a large part of it.

Mr. Green again indicated his willingness to leave it entirely to the President, apparently because of this understanding he had reached as to how the control of labor would be handled.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. TAFT. I yield.

Mr. BARKLEY. If the Senator is implying, as I assume he is, that Mr. Green left the impression on his mind that he had some sort of secret understanding with the President, the Senator will recall that Mr. Green disavowed any such idea in response to a question from me. The impression I got from his first statement was that there had been numerous conferences with the President, as we all know there had been, because the press carried announcements of them, but in those cases, as in most cases, things were said, conversations took a trend, which could not be revealed to the public or to the committee without betraying the confidence of the occasion.

Mr. TAFT. The Senator states the testimony exactly.

Mr. BARKLEY. He stated emphatically that he had no secret agreement or arrangement with the President as to any wage, price, or anything else, but that they were willing to leave it to the President, or such agency that he might set up. He did not leave the impression I am afraid the Senator is endeavoring to indicate he did.

Mr. TAFT. I will modify my statement, I think, before I get through, and make it clear. Since the Senator from Kentucky has raised the question of this agreement, I shall read the cross-examination by the Senator from Connecticut [Mr. DANAHER] of Mr. William Green.

Senator DANAHER. Mr. Green, you stated that you had a definite understanding at the White House in your conference with the President as to how this matter would be administered, I assume you mean?

Mr. GREEN. Well, I think we did have, when the Congress shall finally confer upon the President power and authority to deal with it.

In other words, a definite understanding as to what was to be done under the proposed law, when we enacted it.

Senator DANAHER. And is your understanding of that definite understanding in line with the testimony you have given here?

Mr. GREEN. Well, partially so. But I am not in position to go into that in detail.

Apparently there were details of the agreement.

Senator DANAHER. Am I correct in deducing from what you have said that there has been an understanding agreed upon but as to the details you do not feel free to divulge the confidence?

Mr. GREEN. That is right.

It is fairly obvious why the labor people do not have any great fear of the pending measure, and that is one reason why there should be a definite standard written into the joint resolution, so far as we can write any, on the basis of the "Little Steel" decision. An amendment is lying on the table, drawn by the Senator from Minnesota [Mr. BALL] to accomplish that result. I think that is necessary, because both the testimony of Mr. Green and Mr. Van Bittner indicated some difference from Mr. Davis, of the War Labor Board, as to what this formula was. Mr. Davis said this was a formula under which we could increase wages under a ceiling when the condition arose, that ceiling to be 15 percent over the existing standard on January 1, 1941, about 2 years ago. But Mr. Green and Mr. Van Bittner apparently thought that if the cost of living increased further, that 15 percent was to be increased further. At least we could not get from them any definite statement that they would agree to the interpretation of the standard which had been laid down by Mr. Davis of the War Labor Board.

In view of the general fact that the labor people definitely feel that they are to be treated with reasonable leniency under the proposed law, I think we should write in a more definite labor standard, and I hope very much we may adopt the amendment which will be offered by the Senator from Minnesota [Mr. BALL].

While I am speaking, there is one other matter to which I should like to

refer. I think we should insert an amendment to provide that no subsidies shall be authorized by the joint resolution in excess of any existing powers to subsidize. The Senate will remember that we had before us sometime ago a measure involving this subject, and that apparently the overwhelming sentiment of the Senate rejected the idea of a general power to grant subsidies, of having the Government come in and pay for every wage increase and every price increase.

Once in a while a subsidy may be necessary, and perhaps should be granted—is granted under existing law—but I believe this joint resolution is so broad that it might well be construed as to give additional power to grant general subsidies, when the Senate is really not in favor of any such general subsidy policy. If we want to grant subsidies, each proposal should be brought in specifically, the amount to be spent for the purpose should be stated, and we should give express authority to do it on a limited scale, rather than just drift into a general subsidy policy.

Mr. President, as I have said, I think the joint resolution does not prescribe a sufficiently definite standard, but it does prescribe some standard. I do not think it is a matter which Congress can determine itself. I do not know any more about parity now than I knew when I started several weeks ago to look into this matter, and I do not think anyone here does. It is impossible for us to determine what price is just for any particular product. We must leave that to be worked out on an equitable basis, or we should not require it at all. We make a big mistake when we try to determine the exact price of any agricultural commodity, either a minimum price or a maximum price.

I question very much the provision in the joint resolution itself for a 90-percent loan. The only effect of a 90-percent loan that I can see is that it would increase the cost of feed, push up further the cost of dairy products, and push up further the cost of producing meat. So far as possible we should not attempt to set up a system of regulating prices which have been left to administrative agencies. If Mr. Henderson is not fair to the farmer, we should ask the President to appoint someone who will be. Personally, I have always thought there should be a board of four or five men to act on these matters, not that I have anything against Mr. Henderson, but because it is a judicial problem, and one man may get a prejudice, which would not be true where the decision was made by a board. But whatever the system is, it seems to me it is important that we should retain this particular power.

Mr. President, we are discussing one of the most important functions of Congress, and the decision should be correct. We should not try to evade the express purpose of the proposed act by changing the definition of parity in such a way as to nullify the act, because if we do that we might just as well postpone the enactment of the law indefinitely. It will accomplish no part of the purpose which the President is endeavoring to carry out.

Mr. TRUMAN. Mr. President, apropos of the debate which has been going on today, I ask unanimous consent to have placed in the RECORD as part of my remarks an editorial entitled "Ominous Parallel." The editorial is published in today's Washington Star.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial is as follows:

[From the Washington Star of September 22, 1942]

OMINOUS PARALLEL

A Brookings Institution study of the French experience with price control has brought to light some interesting and ominous parallels with our current effort to stabilize living costs.

Generally, the French experiment has not been successful, and it has failed because the government lacked the courage or the ability to deal impartially with strong political pressure groups. Instead of approaching the problem with a view to protecting on an equitable basis the interests of all the French people, the government made special concessions to the farmers and the city wage-earners, the principal pressure groups in France and in this country. The result, according to the Brookings study, was that price-control objectives rarely were achieved, and then generally at the expense of the retailers.

This fatal defect—preferred treatment for farmers and organized wage-earners—was plainly evident in this country's first attempt at price-control legislation, and it is now conceded that the effort failed for this reason. At the moment, Congress is engaged in an attempt to repair this original blunder, but the prospects of achieving any real success are not bright.

Possibly, the special favors conferred on the farmers will be whittled down a little bit, but there is not even an attempt being made to rectify the unbalanced wage advances which have been granted to labor through the medium of the War Labor Board. Thus, while we may hope for some improvement over the original legislation, there seems to be virtually no prospect of a price-control formula under which all citizens will share and share alike.

It is worthy of note that Canada has been substantially successful in her effort to stabilize living costs, but Canada went about it in the right way—enacting legislation at the outset which struck an approximately fair balance among all the factors which make up the cost of living. Unfortunately, we set out to follow the example of France instead of that which was set by Canada, and there is no assurance that we have yet learned the lesson of that mistake.

Mr. SMITH. Mr. President, I had not intended to join in the debate, but I have been startled at finding that some Senators are opposed to the inclusion of farm labor in considering what the farmer shall receive for his products. I know that parity, which no one understands, and which has never been defined, has gotten into the question to the confusion of everyone. I want the question to be considered on the basis of its absolute merits. The farmer has to pay for farm labor. Therefore the net which he gets for his farm products is less the amount he pays out for his labor. No business in America, or anywhere, can pay out more than it receives and continue in business. I wish to say to the Senate that I advocate the Thomas amendment in order to do justice to the farmer, regardless of parity. If the farmer pays

for his farm labor he is entitled to put that cost into the cost of his production.

The subject of farm labor has been discussed today. I should like to know if the farmer is not as much entitled to a fair return as is anyone else.

A man recently told me he could raise cotton at 5 cents a pound. I said, "How can you do it?" He said, "Why, I work with my family and gather it with my family." In other words the labor of his family was not worth a snap.

If the farmers of America could be in the Senate gallery and hear the discussion with respect to the restrictions proposed to be placed on them they would think they were nonessential in our economy. If the farmers of America were to strike today and determine not to sell a thing from an egg to a steer, I should like to know what some of our righteous brethren who are saying that the farmer is selfish and is so and so would do. They go down into the Senate restaurant and fill up with the products of the farm, and then come on the floor and proceed to try to curtail the farmer's production.

Mr. President, we are face to face with the most tragic possibility that ever confronted the people of this country. Farm labor is gone. Farm prices are sought to be frozen at a level which cannot possibly meet the cost of production, and yet the farmer is told "Go ahead and produce abundantly."

Mr. President, I have not had a hired hand on my farm this year. My overseer cultivated some land, but I received a message from home today saying that not a single cotton picker could be obtained. It is simply impossible to get them. I do not blame laborers for not wishing to work on the farm if they can go somewhere near and receive \$3 per day for their work, when I can afford to pay only a dollar a day. In such case why should they not go somewhere else?

Commentators, newspaper writers, and many Senators are denouncing the very source of their livelihood. I am astounded that they do not want to include farm labor in the cost of the farmer's production.

Mr. President, I want to vote and I think we should vote on this question today. We have listened to many speeches. As some Senator said, we have received the kind of counsel that could confuse wisdom. I wish we could vote today. With the hope that we may vote today I will say that at some other time I shall in my own time express myself in reference to this matter.

Mr. NORRIS. Mr. President, the amendment now pending provides only that in determining the price of farm products, the cost of all farm labor shall be included. That seems to me to be a fundamental matter. I do not believe the amendment presents any new idea. I think everyone concedes that the farmer has to pay for labor. Labor enters into the equation, and cannot be taken out of it by legislation or by any administrative act. It is there; it is fundamental; it is necessary. Then why not give it consideration?

Mr. President, as I see it, to decline to consider the element of farm labor would

be the same as providing by law for change in the multiplication tables. All the laws Congress may pass, all the administrative steps which may be taken, cannot do away with the fact that included in the farmer's product is the element of labor. Then why not consider it in reaching the price that is going to be fixed for the farmer's product? Parity of no parity, labor is a mathematical proposition in this question.

Mr. President, I believe the authorities have the right, without the adoption of this amendment, to do just what the amendment provides to be done, but there was a fear that it would not be done, a fear which I do not share in all respects, but which was entertained by many honest, conscientious men. Since the amendment has been offered, to reject it would, I think, be tantamount to saying that the farmer's price should be reached without giving any consideration to the labor cost which everyone knows enters into the cost of the product. So why should not the amendment be agreed to? Why should we hesitate to adopt a proposal which is as fundamental and as true as that two and two are four? I cannot see any objection to the amendment. If the carrying out of that fundamental formula should result in injury, we must be reconciled to it. I am afraid of inflation, but if I believed that the adoption of the amendment would lead to some inflation I would still be in favor of it, because I believe it involves a fundamental question. The farmer's labor must be considered, or our whole structure will fall to the ground.

Mr. President, probably in a year from now we shall be clamoring for increased production, when we realize that increased food products are necessary to sustain our soldiers at the battle fronts. How can we expect to obtain an increase in production if we eliminate from the cost of production one of the very fundamental and necessary things involved in it? We cannot have production in any great measure without expending labor upon it. Then why should we hesitate to say that in reaching the price to be paid the farmer consideration should be given to that necessary element involved in agricultural production?

CONFIRMATION OF NOMINATIONS

Mr. BARKLEY. Mr. President, I ask unanimous consent that, as in executive session, the Senate proceed to consider the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the nominations on the calendar.

COAST GUARD

The legislative clerk proceeded to read sundry nominations in the Coast Guard.

Mr. BARKLEY. I ask that the nominations in the Coast Guard be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be so notified.

DEATH OF REPRESENTATIVE BUCK, OF CALIFORNIA

The PRESIDING OFFICER. The Chair lays before the Senate a resolution coming from the House of Representatives, which will be read.

The resolution (H. Res. 539) was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
September 21, 1942.

Resolved, That the House has heard with profound sorrow of the death of Hon. FRANK H. BUCK, a Representative from the State of California.

Resolved, That a committee of four Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. McNARY. Mr. President, on behalf of the senior Senator from California [Mr. JOHNSON], who is temporarily absent from the Chamber, I send to the desk a resolution, which I ask to have read, and for which I ask present consideration.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 292) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. FRANK H. BUCK, late a Representative from the State of California.

Resolved, That a committee of two Senators be appointed by the Presiding Officer of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Under the second resolving clause the Presiding Officer appointed Mr. JOHNSON of California and Mr. DOWNEY as the committee on the part of the Senate to attend the funeral of the deceased Representative.

RECESS

Mr. McNARY. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate now take a recess until 12 o'clock noon tomorrow.

The motion was unanimously agreed to; and (at 4 o'clock and 36 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, September 23, 1942, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 22 (legislative day, September 21), 1942:

IN THE ARMY

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

To be major generals

John Henry Hildring
Edward Mallory Almond
John Beugnot Wogan
Frank William Milburn
Paul John Mueller
Leroy Hugh Watson
Vernon Edwin Frichard
Leland Stanford Hobbs
Ira Clarence Eaker
Henry Spiese Aurand
Kenneth Thompson Blood
Barney McKinney Giles
Leven Cooper Allen
Andrew Davis Bruce
Frank Floyd Scowden
Clifford Lee Corbin
Frederick Gilbreath
Charles Harrison Corlett

To be brigadier generals

Nelson Macy Walker
Ivan Leon Foster
William Henry Colbern
John Eubank Copeland
Robert Wilson Hasbrouck
John Max Lentz
Donald John Myers
William Robert White
Lawrence Carmel Jaynes
Guy Humphrey Drewry
George Honnen
Russell Edward Randall
Henry Charles Wolfe
Hermon French Safford
Frank Albert Allen, Jr.
Remi Paul Hueper
Everett Strait Hughes
Eley Parker Denson
Rufus Stanley Ramey
John Lloyd McKee
Frederick Harry Black
Doyle Overton Hickey
James Francis Clark Hyde
Norman Randolph
Vernon Evans
Walter Alexander Wood, Jr.
Paul Ramsey Hawley
Albert Cowper Smith
Edwin William Piburn
Gordon Russell Young
William Francis Heavey
David Ayres Depue Ogden
Harry Fouts Hazlett
Robert Wilkins Douglass, Jr.
George Hatton Weems
Fred Sidney Berum
Raymond Edward O'Neill
Richard Gentry Tindall
Robert Boyd Williams
James Alexander O'Connor
Robert Morris Webster
Frederick Mercer Hopkins, Jr.
Owen Summers
Howard Knox Ramey
Harvey Steele Burwell
Edward Moses Morris
George Jacob Forster

William Warren Welsh
 Orvil Arson Anderson
 Hans Kramer
 Robert Victor Ignico
 Alden Harry Waitt
 Walter Scott Fulton
 Julian Luckner Haddon
 Leslie Richard Groves
 Everts Walton Ople
 Francis Willard Rollins
 Henry Carlton Newton
 Fred Abraham Safay
 Miller Grieve White
 Clayton Sinnott Adams
 Alfred Robinson Glancy

COAST GUARD

TEMPORARY SERVICE

To be rear admirals for temporary service

Lloyd T. Chalker	Frank J. Gorman
Harvey F. Johnson	Robert Donohue
James Pine	Edward H. Smith

REGULAR SERVICE

To be captain

Gustavus R. O'Connor

To be an ensign

Robert J. Wescott

POSTMASTERS

INDIANA

Edwin W. Hanley, Michigan City.
 Dean I. Lauver, New Carlisle.
 Alva K. Costin, Paragon.
 William E. Etcheson, Roachdale.

IOWA

Hollis S. Saar, Cantril.
 Vern D. Freeman, Clarence.
 Elmer A. Westlund, Dows.
 Lawrence J. Roth, Fairfield.
 Fred W. Franzwa, Glidden.
 Ella S. McDonald, Ledyard.
 Otha H. Darby, Madrid.
 Elmer D. Bradley, Missouri Valley.
 Raymond A. Gleason, Ruthven.
 John I. Haldeman, Shenandoah.
 Mary E. Kohorst, Templeton.
 John H. Fitzgerald, Waterloo.

KANSAS

Sam C. Scott, Conway Springs.
 Millard S. Whiteside, Fall River.
 George H. Gill, Raymond.

MASSACHUSETTS

Alice H. Gibson, Canton.
 Ellen M. O'Connor, East Taunton.
 Edward C. Pelissier, Hadley.
 Thomas A. Wilkinson, Lynn.
 Agnes T. Doyle, Lynnfield.
 James F. McClusky, Middleboro.
 Arthur A. Mayhew, Vineyard Haven.
 James L. O'Brien, Williamstown.

MICHIGAN

Daniel M. McAuliffe, Albion.
 Joseph A. Byrne, Birmingham.
 Morton G. Wells, Byron Center.
 Cleo T. Aldrich, Clayton.
 Mortimer W. Olds, Coldwater.
 John G. Watson, Colon.
 Charles S. Carland, Corunna.
 Joseph W. Harlan, Davison.
 Patrick J. Scanlan, Hubbell.
 Charles M. Dillon, Iron Mountain.
 Peter J. Nora, Iron River.
 Lyman Woodard, Peck.

NEW JERSEY

Marguerite Fox Sando, Hewitt.

VIRGIN ISLANDS

Bartholin R. Larsen, Christiansted.

private receipt for each lot of merchandise removed pursuant to this act and shall be responsible for the safekeeping and the preservation of the identification of the merchandise until it is returned to the collector of customs to whom such receipt was issued, which collector shall issue a receipt to the War Department for the merchandise delivered. The collector of customs shall be absolved from all liability with respect to the merchandise between the time it is removed pursuant to this act by the War Department and the time that Department delivers it to him.

SEC. 3. The rights or privileges conferred by the customs laws or regulations shall be continued in full force and effect except so far as inconsistent with the provisions of this act. The time prescribed for the performance of any act in the customs laws or regulations shall be suspended during the time the War Department is responsible for the safekeeping of the merchandise and rights or privileges dependent upon continuous customs custody shall not be defeated by the provisions of this act.

SEC. 4. This act shall be effective on and after the date of its enactment and until the expiration of 6 months after the termination of the unlimited national emergency proclaimed by the President on May 27, 1941.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

REDUCTION IN THE COURSE OF INSTRUCTION AT THE UNITED STATES MILITARY ACADEMY

Mr. MAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7526), to authorize a reduction in the course of instruction at the United States Military Academy.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain just what this bill does to West Point?

Mr. MAY. This bill reduces the term of instruction and the curriculum from 4 years to 3 years, similar to the action that was taken with respect to the Naval Academy. The bill also provides for the graduation of two classes: One in January and one in June of next year, which would not otherwise graduate.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, this is a subject that has been considered a good many times in various committees dealing with the War Department and a subject about which great difference of opinion has been expressed by members of the War Department within my hearing. I very seriously question whether a bill of this character ought to be passed by unanimous consent without some debate and consideration, and I am inclined to object.

Mr. MAY. We have had testimony before the House Military Affairs Committee, we had the superintendent of the academy, we had the representatives of the War Department, and they all favor enactment of this bill. They say it is necessary in order to get the Army officer personnel that they need during the

present emergency. This applies only for the duration of the present emergency. It is temporary legislation.

Mr. CASE of South Dakota. I understand it is temporary legislation, but I recall that when the Board of Visitors was up there last year this question was informally discussed with members of the academy and with some officials of the War Department. There was a good deal of difference of opinion as to whether or not it should be done. The point was then made that the situation was not analogous to that of the Navy because of a different officer need. The argument was made to us that officers who are graduated from West Point are primarily for general staff duties 15 and 20 years from now and that their ability to do their duty then depends upon their getting a thorough groundwork now. West Point is not the source of officers for the present war; they are coming out of the officer schools, the Reserves, and the guard. At least these were the arguments given to us. I do not know what the best course is but will defer to the judgment of others. I question, however, whether legislation about which authorities disagree should be passed by consent and without debate.

Mr. MAY. The gentleman realizes that conditions as they now exist are very different from what they were a year ago. In addition to that, the civilian colleges of the country in every State have speeded up their courses, so as to graduate students in 3 years instead of 4 years.

The SPEAKER. The Chair suggests that the gentleman from Kentucky withdraw this. It seems there are several Members on their feet.

Mr. MARTIN of Massachusetts. Mr. Speaker, I think it has been cleared up very well.

The SPEAKER. The Chair sees another gentleman on his feet.

Mr. MAY. The gentleman has withdrawn his objection.

Mr. CASE of South Dakota. I have withdrawn my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. MAY. Mr. Speaker, I ask unanimous consent to substitute an identical Senate bill for the House bill.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to reduce, in his discretion, until the termination of the present war, the course of instruction at the United States Military Academy from 4 to 3 years and to graduate classes which have completed such reduced courses of instruction.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 7526) was laid on the table.

REMOVAL OF CERTAIN LIMITATIONS ON COST OF CONSTRUCTION OF ARMY AND NAVY QUARTERS

Mr. MAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S. J. Res. 129) to remove certain limitations on the cost of construction of Army and Navy living quarters, and its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

Mr. RICH. Mr. Speaker, reserving the right to object, may I ask the gentleman what he intends to do by this joint resolution?

Mr. MAY. Mr. Speaker, in one of the appropriation acts there was a limitation placed on the construction of officers' quarters of \$7,500 for each unit. That means each house. That did not include the utilities, such as sewage, roads, telephone, telegraph, electric power, and so forth. The Army tells us in open hearings before the committee that many, at least 15, of their post construction programs are being retarded very materially due to the fact it is impossible to figure out just exactly what the utility cost will be, which ranges from \$300 to \$3,000.

Mr. HOFFMAN. Mr. Speaker, I object.

AUTHORIZING ATTORNEY GENERAL TO STIPULATE TO THE EXCLUSION OF CERTAIN PROPERTY FROM CONDEMNATION PROCEEDINGS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5503) to authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings, with Senate amendments thereto, disagree to the Senate amendments and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection, and the Speaker appointed the following conferees on the part of the House: Messrs. SUMNERS of Texas, CELLER, and MICHENER.

PERMISSION TO ADDRESS THE HOUSE

Mr. FULMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my own remarks in the Record.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. FULMER]?

There was no objection.

[Mr. FULMER addressed the House. His remarks appear in the Appendix of the Record.]

EXTENSION OF REMARKS

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include a patriotic song and also to include a letter from its composer.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. GATHINGS]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on ship construction and to include some quotations.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. BLAND]?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. PAGÁN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein some newspaper editorials.

The SPEAKER. Is there objection to the request of the Resident Commissioner from Puerto Rico?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BENNETT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a brief editorial.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Belleville Telescope.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. BISHOP asked and was given permission to extend his own remarks in the RECORD.)

Mr. CHIPERFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Daily Register-Mail.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HARTLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the background of the gentleman who led the abortive attempt to purge me in the recent New Jersey primaries.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

CONSTRUCTION OF QUARTERS FOR ARMY PERSONNEL

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I do not know who objected to the consideration of Senate Joint Resolution 129, but whoever it was did a good job, for this reason. The cost of quarters for certain Army officers runs as high as \$10,000 in some instances, and \$7,500 in other instances, and as high as \$3,500 for quarters for enlisted men. The trouble is that you are using the cost-plus system in contracting for this construction. Unless the Army stops that business and uses some sense about the cost of the things they are building today, the Army will not get any place in furnishing the things that are necessary for the Army. It is too extravagant. You must regulate wages and cost-plus construction. The only way you can regulate prices in the bill we are going to discuss today is to regulate some of the things the Army is doing, or you will not be able to meet the cost of government.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Kentucky.

Mr. MAY. The gentleman knows very well that the House Committee on Military Affairs filed an extensive report some weeks ago in which we condemned the extravagant practice of using cost-plus-a-fixed-fee contracts, and in which we pointed out the very things about which the gentleman is speaking. However, the bill we passed this morning relates to new camps under the jurisdiction of the Corps of Engineers.

Mr. RICH. I am speaking of the bill that did not pass—on cost-plus basis—the Senate Joint Resolution 129. The cost plus is expensive and extravagant as administered. Why the more a contractor pays the more he makes. Why the labor unions will not let a citizen work on the job unless they collect a fee of \$50 to \$500 to join the union. That goes in the cost because the laborer gets more money so he can pay the exorbitant fees collected. No wonder everything costs the Government so much. Who is responsible? Why the administration for permitting it.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. VAN ZANDT] be permitted to extend his own remarks in the RECORD and include therein some statistics regarding veterans.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from the Comptroller General on the appointment of persons on the civil-service retired list.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

[The matter referred to appears in the Appendix.]

AMENDMENT OF EMERGENCY PRICE CONTROL ACT OF 1942

Mr. SABATH. Mr. Speaker, I call up House Resolution 540, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 day, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. SABATH. Mr. Speaker, later I shall yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. Speaker, House Resolution 540 makes in order consideration of H. R. 7565, a bill to amend the Emergency Price Control Act of 1942, prevent inflation, and equalize the cost of living and wages. As we all know, it is upon the urgent request of the President that this bill is before us.

The rule that has been granted provides for an entire day of general debate. It is an open rule, and provides for the consideration of the bill under the 5-minute rule, and allows amendments to be offered not only by members of the committee but also by any Member of the House.

I am pleased that on this occasion I shall not be forced to move the previous question, and will grant to the other side the usual time, to which it is entitled. Therefore, I feel that there cannot be any opposition to the rule, as everyone will have full opportunity to express himself and offer any amendments under this broad and liberal rule.

However, I have been informed that my colleague the gentleman from Illinois [Mr. ALLEN], a member of the committee, contemplates criticizing me and the Committee on Rules because of the haste with which this rule has been reported. I say to him that I am willing to assume any and all responsibility, and in connection with that statement I cannot omit expressing my appreciation to our col-

leagues the gentleman from Michigan [Mr. MICHENER] and the gentleman from Indiana [Mr. HALLECK], both of our committee, who, realizing the importance of this measure and the need for immediate action, cooperated and helped in bringing out this rule.

The Committee on Rules has been informed by several Members that there is some opposition to the bill because of certain provisions in section 2 of the bill. I am pleased to report that the chairman of the Committee on Banking and Currency and those Members who were present with him at our meeting yesterday assured the Committee on Rules that they will move to strike out the verbiage to which some of the members of the committee objected. This objectionable language appears beginning in line 7 and extending into and including line 11, page 2, of the bill.

After that is stricken, I am inclined to believe there should be no further objection to the bill, unless it be to the language following (3) in lines 23, 24, and 25, page 3, of the bill.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I gladly yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Will the gentleman state the language to which objection was made in the committee, the language appearing in line 7 on page 2?

Mr. SABATH. It is as follows, and appears after the semicolon beginning in line 7 on page 2—

and may suspend any provisions of law relating to the establishment or maintenance of prices, or to wages, salaries, or other factors affecting the cost of living which are inconsistent with the purposes of this act.

Mr. WHITTINGTON. In other words, as I understand, it is proposed to strike out all of that part of section 2?

Mr. SABATH. Yes; that is true.

Mr. WHITTINGTON. Suspending certain laws which have been passed by the Congress?

Mr. SABATH. I am inclined to say yes.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman from Illinois yield for a question?

Mr. SABATH. Yes; I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. I note with interest that the gentleman says that with the striking out of one line there will be no further objection to the bill.

Mr. SABATH. No; I said or wanted to say that I feel there should not be any further objection. The gentleman from Michigan [Mr. CRAWFORD] did raise opposition to language in lines 23, 24, and 25, page 3, of the bill.

Mr. JOHNSON of Oklahoma. In reading the President's message, I note it is stated on page 7 of the report:

Calculations of parity must include all costs of production, including the cost of labor.

I understand there will be an amendment offered to do that very thing. Will the gentleman object to that amendment, if offered?

Mr. SABATH. The rule permits the offering of any amendment, and it will remain for the membership of the House to vote any amendment up or down. Personally, I am informed that the opposition to the bill which came to my attention believes that the wages of farm labor should be taken into consideration in adopting a ceiling price on farm products. Personally, I have received, as have other Members, communications from various farm organizations that insist upon that provision; and as the gentleman from Oklahoma stated, that provision will be offered on the floor as an amendment to the bill. And I may again state that settlement of the matter will be left to the membership of the House.

However, I feel, Mr. Speaker, that the gentlemen who are insisting upon some of these amendments to safeguard the rights and the prices of the farmers should not be, and cannot be, alarmed at the action of the President. So far he has demonstrated the greatest friendship for agriculture, and we know that under his leadership the farmers have received greater help and advantages and are in better condition than ever before in the history of our country. I realize that the gentleman from Mississippi my colleague on the committee [Mr. COLMER] and my beloved colleague the gentleman from Georgia [Mr. COX] are extremely anxious about the welfare of the cotton grower. Of course, they are justified in protecting their cotton-growing constituents, but I feel that the cotton growers, notwithstanding increased wages, are in better position, and should be in better position, than ever before. I recall years ago when, to aid the cotton growers, I bought 50 bales of cotton at 5 cents, and I know that the price of cotton in 1932 and 1933 was not much higher. Today the price of cotton is about 17 cents and, personally, I feel that the differential in the price of cotton should take care of the increased wages.

Mr. LUTHER A. JOHNSON rose.

Mr. SABATH. Now, as to wages, I note that my good friend the gentleman from Texas [Mr. JOHNSON] rises, and I presume he will say the same thing that the gentleman from Georgia [Mr. COX] and the gentleman from Mississippi [Mr. COLMER] have said about labor being hard to obtain. I know that for years, whenever labor was needed in the cotton fields of Texas or other States, they have been able to obtain labor from Mexico; and I do not know any reason why that should not be done again if there is a real shortage of labor in the cotton fields, because Mexico is very friendly to us, has much surplus labor, and ever desires to help us.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Mississippi.

Mr. COLMER. Since the gentleman has referred to the position of the gentleman from Georgia [Mr. COX] and myself on this matter, will the gentleman not state that the position of the gentleman from Georgia [Mr. COX] and the gentleman from Mississippi has been

that they ought all to be fed out of the same spoon and no preference given to any one particular class, so that no benefit will be given to any particular class of our people and the sacrifice will be made by all alike?

Mr. SABATH. I fully agree with you, sir, and I am in favor that there be no favoritism shown or given to any particular class as unfortunately exists in favor of livestock and other farm commodities.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Yes; I yield now.

Mr. LUTHER A. JOHNSON. What I wanted to call to the gentleman's attention was not the scarcity of farm labor, although that is certainly true, and the price of farm labor has increased and continues to increase, but the gentleman mentioned the fact that the price of cotton is 17 cents a pound, reflecting therefore the prosperity of the farmers. But the gentleman overlooks a fact which should not be overlooked and it is that in order to get that price the cotton farmers have had to reduce their acreage very, very materially and therefore the volume of cotton that the farmer produces has been cut in half and therefore his profits have been cut in half, regardless of the price of cotton.

Mr. SABATH. I realize, as a farmer, that when the crop yield is large prices are low and when there is a small crop the prices are higher, which is unfortunate, of course; and I sympathize with the farmer because I have had some personal experience with farming and I know the trials and tribulations of the farmers, but with all what the gentleman states, even if the price of farm labor has increased 200 percent, the price of cotton has increased more than 300 percent.

Let me say also to all of you gentlemen representing all different agricultural sections that the statistics will prove that the prices of farm commodities have increased 85 percent in the last 3 years, and industrial wages have increased only 71 percent.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SABATH. In just a moment I will yield to my colleague.

Mr. COX. That is, if the gentleman wishes to be corrected.

Mr. SABATH. However, in that calculation in respect to the increase of 71 percent in industrial wages, the great salaries drawn by the big manufacturers and the great industrialists, running into many hundreds of thousands of dollars, are included, so that really wages of wage earners have increased only to a point where they are much more than 14 percent less than the increase that the farmers have received for their products. I now yield to the gentleman from Georgia [Mr. COX].

Mr. COX. Farm wages have gone up 202 percent, whereas the pay of the industrial worker has increased far in excess of 400 percent. In other words, the position of the gentleman from Mississippi [Mr. COLMER] and other gentlemen to whom the gentleman from Illi-

nois referred is that the farmer's dollar that he gets out of his crop ought to be worth just as much to him as the dollar that he puts in. Under the present rate of exchange that condition does not apply. For months and years we have been talking about the stabilization of the dollar. Labor's dollar has been stabilized, but what, if anything, has been done for the farmer's dollar? The farmer, in the purchase of goods and services, is still obliged to exchange from 5 to 14 hours of his labor for 1 hour of the labor of the industrial worker. That is the condition against which we have been inveighing for years. This bill may do something for the farmer, if it narrows that disparity. I fail to see how it can, and to me it appears that it widens it greater than it now happens to be.

Mr. SABATH. I have not examined the statistics and do not accept responsibility for the statements that have been made in the other body.

Mr. COX. I happen to hold in my hand a graph made by the Department of Agriculture, received this morning which tells the story. There stands the pay of the farm worker, and there is the pay of the industrial worker. Below the pay to the farmer you will find the so-called parity pay.

Mr. SABATH. I am quite sure that every effort is being made and will continue to be made to effect a fair adjustment.

Personally, I am not familiar with the figures that the gentleman has received nor is there any evidence that I know of to substantiate them, but, conceding that farm wages have gone up 202 percent, the price of cotton has increased over 300 percent. The statement that the wages of industrial workers in general has increased over 400 percent is, to me, unbelievable. There may be a few instances of such increases as the gentleman states, but they can only be in the cases of highly skilled technical or precision workers, of which there is a great scarcity. I have given the general increases in wages, which is 71 percent, and I maintain this percentage increase is correct as against the 85 percent general increase in the price farmers receive for their products.

Mr. WICKERSHAM. Mr. Speaker, will the gentleman yield?

Mr. SABATH. No; I am sorry that I cannot yield now. The Congress and the country in the past have expressed complete confidence in the President, and Congress has given him almost unlimited powers, and no one can justly charge that these great powers have in any way been abused. They have always been used for the best interests of our country. Personally, I was under the impression that the powers granted him in this bill were already vested in him under the Constitution, but I shall not argue that point because he has requested the Congress to act, and asks especially that these powers be granted him. I believe he has made this request to avoid any criticism by his enemies and haters and all those opposed to his policies, who, in season and out of season, for years have unfairly charged him with desiring to become a dictator. Further, many able

Members maintain that these powers have already been given him in the last Price Control Act, and, if exercised, would have served to prevent the abnormal increase in the price of livestock. It is claimed by some Members that he has omitted or failed to invoke or carry out these powers. However, it is to discredit these attacks or charges which he no doubt feels might create discord among our people that he urges the enactment of this proposed legislation. I am satisfied that his desire and aim is not only to arrest inflation and an unreasonable increase in the cost of living, but also effect a fair increase in pay of the unorganized wage earners, or, generally speaking, to effect justice, equity, and a square deal for all.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Yes.

Mr. O'CONNOR. I agree with what the distinguished gentleman has just said with reference to what the administration has done for the American farmer. I think it is the first real attempt that any administration has ever made to alleviate the conditions of the American farmer and place him in his proper economic sphere; but I also wish to remind the gentleman that since we declared war farm wages have gone up from 100 to 200 percent over and above what they were 1 year ago; and if we are going to do equity and justice by the American farmer who has been feeding the Nation at tremendous losses for years, we should take into consideration now at least the increased cost of wages that he is required to pay because of the war.

Mr. SABATH. I think that will be done. I earnestly believe that when the President acts the farmers and the consumers also will be satisfied. The gentleman points out the increased cost of farm labor, and the increased cost of wages on the part of organized labor, but the gentleman does not take into consideration the 30,000,000 men—many of whom, of course, are married—who do not belong to labor unions, who are still working for 30 and 35 and 40 cents an hour and cannot pay the increased prices of food and the other necessities of life.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Yes.

Mr. COX. In the present price of farm commodities the farmer is getting a little less than 20 cents an hour for his labor.

Mr. SABATH. I am not going to enter into a dispute with my learned colleague.

No doubt my friend recognizes, and, if not, he should recognize, that the cost of living in the industrial centers is not only 40 or 50 percent greater than in the rural, including cotton, sections, and, though the unskilled industrial workers in the large cities receive double the pay of farm laborers, they still are not on equal economic terms with the farm laborer.

Mr. Speaker and gentlemen of the House, about the only other objections and fears expressed so far as I know relative to the vast powers given to the President in this bill are that he might use that power to hold individual incomes down to \$25,000. While I feel that dur-

ing the war the President is justified in believing that the net income of \$25,000 a year should suffice for anybody, yet I feel in view of the statement which I read in this morning's paper, wherein Mrs. Roosevelt feels disinclined to agree with the President, I can leave to all of you married gentlemen here whether you do not feel, as I do, that it may cause him to hesitate to carry out his views in this respect.

The SPEAKER pro tempore. The gentleman from Illinois has consumed 20 minutes.

Mr. SABATH. I will use 3 minutes more.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Is it a question? I yield for a question.

Mr. RICH. You said a while ago that the President has and has had the power to regulate prices. Is not this a bill to give him unmistakable and complete power and have the Congress turn everything over to him? That is what this bill does, is it not?

Mr. SABATH. This bill gives him additional power and eliminates any doubt that might have existed in the minds of anybody. I believe it will minimize the charges, as I have stated, that have been made by those who have at all times opposed him and his policies, who enviously hate him and who have been wantonly charging him with trying to become a dictator.

Mr. RICH. You abdicate and turn everything over to him.

Mr. SABATH. The statement of the gentleman from Pennsylvania as well as others that he makes are uncalled for and unwarranted. They are made only for the purpose of creating prejudice against the administration.

It is for that reason that he has urged and requested, perhaps in rather strong language, that remedial action be taken and that unmistakable power be given to him so that there can be no question in the minds even of his enemies that he is usurping power in this important field.

As I said before and I now repeat, the Nation has expressed its implicit and complete confidence in the President three different times. We have. So far he has not abused any power that was given him and I feel satisfied that he will not abuse it in the future. Of course, his enemies and the enemies of the New Deal generally will proceed to abuse and accuse him, but we all know that Washington, Jefferson, Jackson, Lincoln, Teddy Roosevelt, and Wilson, great Presidents who ever were fighting to protect our liberty, justice, and the maintenance of our form of democratic government, have thus been criticized. I feel that President Roosevelt is such a great man, being recognized universally as the greatest statesman in the world today, that he can take it, because he is doing the righteous thing by his country.

Mr. Speaker, I reserve the balance of my time and yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I yield 15 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I am going to try to talk a little about the way in which this bill comes before us and some of the implications which it contains and, also, something about some of the terms of the bill. I trust that what I will have to say will be of such interest to the membership that some degree of order can be had.

After all, we are dealing with a highly important proposition. It is a problem for the solution of which I think the overwhelming majority of the people of this country are holding us accountable.

First of all I want to commend the members of the Committee on Banking and Currency for the speed and expedition with which it has handled this matter. I just hope that it has not been a case of haste making waste, because, as I said a moment ago, this matter is of tremendous importance and of far-reaching implications. One might even be led to suggest that possibly last summer when there was so much talk about the growing threat of inflation and when the clouds of runaway inflation were hovering over the country, when there was so much talk about some action being had, it might have been better had the leaders of the administration at that time sent word up here about their ideas rather than to wait until this rather late hour and to tell us to do it by October 1, or else.

I commend the committee also because this bill is not a blank check of authority to the Executive and his administrative assistants. Controls are written into the bill. Safeguards are written into the bill. Our people all recognize that in time of great stress and strain tremendous power must be concentrated in the hands of the Chief Executive and more particularly do they recognize that tremendous power must be concentrated in the hands of government in Washington. But while they recognize that, I am convinced that their strength and determination in an all-out war effort will be heightened as they are led to believe that they are in the hands of a collective leadership in Washington, a leadership that recognizes responsibility in the legislative branch of the Government for those affairs and matters that are properly before it.

I congratulate the committee for including in this bill something in the way of wage stabilization. When the President sent his message to us and spoke to the Nation he did not ask for wage controls in the bill. I hold in my hand a copy of Victory, put out by O. W. I., on September 15. The headline is "President Asks Curb on Farm Prices." Apparently there is nothing about wages, except this, and I quote again from that article:

Wages can be stabilized at the same time as farm prices are stabilized—

He added—
and this I will do.

Now, I congratulate the committee of this Congress for not leaving that equally important matter to the determination of the Executive. I congratulate the committee for putting into this bill something about wage stabilization.

Now, this bill is before us, as I stated, as a result of the message of the President and his address to the people of the country.

It was, as I said, a do-something-about-it-or-I-will message. Personally, and I think a lot of members of the committee agree with me, I do not believe the President under any executive authority presently in his office would have power to do the things that are sought to be done by the Congress in this bill. But wholly apart from that, I wonder whether or not that message to the people and to the Congress was justified in the light of all the circumstances. Let us take a look at the record, as somebody once said. About a year ago the Congress was asked to do something about price control and about the threat of run-away inflation. We all knew the dangers of run-away inflation and we all recognized that something had to be done. There was a choice before the administration and the Congress, a choice between a so-called over-all system that would have included farm prices and wages, and a so-called selective system that contains something about farm prices but nothing about wages and left the time, or place, or period of intervention in the hands of the administrator.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield at that point?

Mr. HALLECK. I should like to continue with my statement, if I may.

As I remember, and I believe my recollection is correct, the Administration got about what they wanted in the bill that was first enacted by the Congress. Some of us were for an over-all type of control; some of us recognized the necessity for this sort of action and stood up and voted when the time came, but there just were not enough votes to put it over. I believe also that had the administration at that time demonstrated the courage, the audacity, and the proper depth of understanding of the readiness of the people to go along in an all-out effort that we would not be here today undertaking to supply the deficiencies of the original proposal. I feel that it is worthy to note that that great leader who very recently was chosen by the President to head a committee trying to solve the rubber muddle existing in the country was at that time contending that more of an over-all price-control system would be absolutely essential to any effective dealing with the problem. Without minimizing the responsibility of the Congress, because it was in large measure our responsibility, I say again that had we received a little encouragement, had we had a little of that strong leadership for which the people of this country are crying, we could have avoided many of these recent increases in prices about which so much is now being said. Much is being said about the so-called farm bloc in Congress. At times I am accused of belonging to the farm bloc and at other times some of my farmer friends say there must be something wrong with me because I do not properly represent the farmers of my district; and

as a matter of fact I am not in any bloc. But I have always had an idea that the farmer along with everyone else is entitled to a square deal under our Government and our economy. That is all I ever tried to give him.

What I have to say may not please some of the folks who talk so loudly about the unconscionable demands of the farm bloc, but I honestly feel that many farmers have had quite a lot of kicking around in recent months and years. They are being kicked around now in respect to the farm labor problem. Consider the situation of the farmers in your district. Let me say that in my area men who have operated big farms cannot get help to run them and are letting part of their farms lie fallow, or letting them go to pasture or are just quitting. You can pick up any weekly newspaper in my district and see where herds and herds of dairy cows are being offered for sale. Why? Because farmers cannot get the help to run their businesses. I do not know that this can be said to be the fault of any one particular person, because, after all, there is a demand for manpower in this country that is becoming almost overwhelming. But I do say that as among others the farmers have certainly had a little consideration coming to them.

Certain of the recent prices affecting the cost of living have been charged against the farmers and have been causing much concern in the country. Let us consider the law under which we are operating—the statute enacted by the Congress last January, since which time it has been in effect. Let us examine the authority granted the President to see who is now responsible. It provided for a farm ceiling price of 110 percent of parity with a couple of alternative provisions. It was to be operated under the selective system, giving the Administrator authority to act. Some of my farmer friends said to me that the bill was all wrong because it did not include wages. Maybe that was a valid criticism but I voted for the bill. It refers to 110 percent of parity. There has been a lot of talk about parity, yet a lot of people do not know what it is. Here is a definition that is short and to the point that was written by the Department of Agriculture:

The parity price for any commodity may be described as that price which will purchase the same amount of goods the farmers buy as it did in some prescribed base period, usually August 1909 to July 1914. It is calculated each month by multiplying the base period average price received by farmers, for instance, \$5.42 for beef cattle, by the current index of prices paid by farmers including interest and taxes. In March 1942 this index was 1.43, and the parity price for beef cattle was \$8.02.

Just what does that mean? The parity formula has been fixed; we have known what it was; it has been written about and talked about for years, but any given price under the parity formula computation is not fixed. It is an attempt to tie the farmer's dollar to the dollar of the man in the city. This has been the goal of the New Deal adminis-

tration ever since I have been in Congress. It would seem that parity on that basis is about the least the farmer is entitled to.

Now, how did that bill that we enacted into law last January work? Well, when we consider that, let us see what inflation is. An increase in prices that we call inflation is the result of the impact of an increased purchasing power on a diminishing supply. That old law of supply and demand has never been repealed, and I do not think it is going to be repealed right away.

What has happened? On grain raised in my country, of which there has been a surplus, that impact has never operated. What is the result? Why, the parity price on August 15, 1942, on wheat was 71 percent. That is, the price was 71 percent of parity. Corn was 85 percent; oats, 70 percent; and rye, 45 percent. Soybeans have gone up in price. The Government has guaranteed, as I understand it, \$1.60 a bushel. Those grain prices represent the dominant grains raised in my country.

From my home-town paper in Indiana here are the cash quotations on grain to the farmer: Wheat, \$1.10; No. 2 corn, 78 cents; oats, 46 cents; No. 2 beans, \$1.60; what the Government says it is going to pay; and rye, 60 cents.

It is obvious from that that the so-called 110 percent parity about which there has been so much talk and for which the farm bloc has been criticized has never operated on those prices. Corn is selling below parity, for one reason because our papers during the last week have been full of publicity releases by governmental authorities and others urging feeders in our section to buy wheat that will be delivered there by the Government for 82½ cents a bushel. As long as you do that, corn is going to ride along at 78 cents, which is away below parity.

Criticism has been made of livestock prices that have advanced. They have advanced, but why have those prices advanced? They have advanced because there has been a tremendous demand that has exceeded the available supply. We all recognize the necessity for the production of livestock. We have had a shortage apparently in the production of livestock or at least in the available supply in spite of the prices that have been paid.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. HALLECK. Now, the price of hogs has gone to 128 percent of parity, beef cattle 137 percent of parity, veal calves 126 percent of parity, and lambs 125 percent of parity. Assuming those prices should not have gone that high—although I assume that probably was not only permitted but encouraged in order to stimulate production—but, to repeat, assuming they should not have gone that high and that someone should be criticized because they have been permitted to go that high, is the responsibility on the Congress or is it on those in charge of the administration of the act which we put on the books last January? I say the responsibility is in the hands of the President and his administrators, who

could have applied the ceilings given them by the Congress of the United States, and they could have stopped these increases if they had wanted to.

I stated that the President's message was quite a jab at the Congress. As one Member of Congress, I do not propose to stand by and see that attack made on my position. Now, to check my figures and the authority granted under the bill, I inquired yesterday in the Rules Committee of all the members of the Banking and Currency Committee if my contention about administrative power under existing law is correct, and it was not challenged by one of them.

I talked to a lot of beef feeders when I was home. We have a kind of an operation there in the Corn Belt area that may not be familiar to all of you. Our fellows raise corn in tremendous quantities. A farmer with 160 acres will go to Chicago and get maybe 50 steers that have come in off the range country from the West or some other area. He will take those feeder cattle to his feed lot, to his farm, and he will feed this corn to them. Then he takes them back to Chicago and sells them. It is obvious that he has got to get some sort of a spread between what he buys and what he sells in order to make any money for his operation and to get paid for his feed. All my beef feeders state, "We are not going to object to any reasonable ceiling so long as a ceiling is placed on the animal we have to buy and the feed we have to buy and if prices generally are stabilized. All that we ask is that we get a fair return for our feed that we put into these animals and a fair return for the work and the risk involved in feeding."

May I say another thing about this operation as it affects beef cattle. I do not know what has been in the minds of some people in the Government but apparently they have tried to set up a demand for these lighter grass-fed cattle that has shoved the price up to almost what we get for a finished prime corn-fed steer out of the Corn Belt area. What is the result? It brings about an unfair discrimination. If there is a shortage of beef, then why in heaven's name should not these feeder cattle be given the surplus corn and wheat that exists on our farms, put three, four, or five hundred pounds more weight on them, then use them for the Army, Navy, lend-lease, the civilian population, and everybody else who has to buy beef?

There is one thing that the feeder of cattle has always had to contend with. His is a kind of speculative proposition at best. He buys a lot of high-priced stuff and takes a tremendous gamble on what the market is going to be. Now, in addition to having to gamble on what the market will be, he has to gamble on what the Government is going to do. They are crying above everything else that the Congress, the Government, and the administrators take out of the difficulties before them the uncertainty that presently confronts them. I know feeder after feeder who is not going into the market to get feeder calves and feed them. Why? Because of the conflicting statements, the indecision, one thing said this way and something else said another way,

the pulling and the hauling, and the administrative bickering that has got them down to where they do not know what they are doing.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 2 additional minutes to the gentleman from Indiana.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. The gentleman is so clear in his explanation that he must know, as we all know today, what the trouble is going to be if all costs are to be added to parity before there is a new formula for parity. I want the gentleman to make it clear, and I am sure we all agree, that parity was that if a bushel of wheat could buy a shirt in 1909-14, it should buy a shirt today. Am I right? I want the gentleman to agree with me. Because the bushel of wheat costs more to raise, they want two shirts, maybe. But can we not remind the people here today that the shirt manufacturer says that the shirt has cost so much more to make that he wants 2 bushels of wheat? That problem is going to be pressed today. I think the gentleman's opinion will be very valuable to us if he will say that I am right or that I am wrong in the discussion of what parity may be.

Mr. HALLECK. The gentleman is ingenious. He comes from the great State of Massachusetts. I have undertaken to say what parity is and I have said what it is. The definition of parity as given by the Department of Agriculture includes taxes and interest. Those are items in the cost of production of the farmer. I do not know what other items have been specified or may be specified, but the farmer's cost of production is certainly an important consideration. The only thing on which I insist, as I said before, is that the farmer get a square deal with the industrial worker and vice versa. It is no secret that workers are leaving the farms all over the country to take \$8-, \$10-, and \$12-a-day jobs in industrial plants, and the farmers are finding it virtually impossible to meet the competition.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 2 additional minutes to the gentleman from Indiana.

Mr. COFFEE of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. The gentleman has advocated a price ceiling on cattle, the live animals, the feeder cattle. I am sure that if the gentleman investigated the situation he would realize that is a wholly impracticable job, especially for a price administrator and his army of inspectors. How in the world could that be done in view of the hundreds of different classifications and grades that exist?

Mr. HALLECK. I recognize that there are practical difficulties in the way of any such far-reaching proposal as this. Adequate price control is a tremendous undertaking. But there are the same practical difficulties in determining the

grades of the cattle that go in from the corn farms as finished prime beef as there are in grading the feeder cattle. But I say again that except as you ceiling the price of the feeder calves that the feeders in the Middle West must buy to feed their corn to, you are going to squeeze them out. If you let the price of feeder stock go on unchecked, then you will have a continuance of the existing situation, one under which the feeders are saying, "We just cannot do the job."

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman spoke about labor leaving the farms and going into industry. The greatest offender in this respect is the United States Government. Everything the Government is doing it is doing on a cost-plus basis. It is paying enormous wages, but unions are striking for more and more. The contractor and the union man go down the street arm in arm, and they say, "Raise them up, we will get it out of the Government." They are going to the farmer and taking his labor. That is what the trouble is.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Labor being the largest single item the farmer purchases in making his crop, does the gentleman believe labor should be included in the parity formula?

Mr. HALLECK. If I undertook to enter into a lengthy discussion of that, it would take up more time than is available. I have given the subject a lot of consideration, but I did not in the statement I made here undertake to develop that question. It is obvious that the cost of production as it affects the farmer is a highly important one. After all, if the farmer does not get back more than his cost of production, he has no profit, and obviously he cannot be said to prosper under that condition.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a list of farm commodities above parity and a list of farm commodities below parity.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, every contemplated move at this critical time in our Nation's history—legislative or otherwise—by Congress or by any other branch of our Government, should be measured by the yardstick of how much will this move contribute to winning the war, preserving our form of government, and preventing economic chaos.

While I was surprised at the tone of the President's recent message to a heretofore and now friendly Congress, I welcome his effort in bringing to the fore the important questions presented by

him as I believe there is more or less misinformation spreading over the country in relation to these problems. Every person in and out of Congress is in sympathy with the general objectives of the President's program, mainly to bring under control the price of living and prevent inflation.

However, let me emphasize that no step should be taken that will imperil the production of food—the most essential item for winning this war. Farmers and livestock producers today are faced with unprecedented high costs of production on every front. Farm labor is so scarce that it is nearly impossible to secure at any price. This has been caused, primarily, by the wages paid by the Government on cost-plus contracts for ships and other war material. Wages on some of these projects range as high as \$1 to \$1.50 per hour for common labor. Then there is the operation of the draft act, voluntary enlistments in the Army, Navy, and other branches of our armed service, and other factors.

We in Montana are so pressed for farm help that we are required to pay from \$6 to \$8 per day for help to stack our hay and harvest our other crops, and as high as \$4 to \$5 per day for 10-year-old boys and women. These wages include board and lodging. There is no market for this expensive hay, but we stockmen and farmers must have it to carry on our business. It is an essential product of the farm. Without it we cannot raise beef cattle and sheep. Some ranchers this year were so pressed for labor that they did not attempt to put up their hay. They turned their stock into the meadows to feed and planned to market them as beef this fall. Next year they will have no beef to feed our defense workers and our fighting men scattered all over the world.

On the second front is the tremendous increase in the cost of repairs to farm machinery; that is if these needed parts can be found at all, at any price. Large quantities of badly needed machinery were not used this year because of the inability of farmers and stockmen to secure repair parts.

Taking these factors into consideration, the farmers' and stockmen's cost of production has risen tremendously of late.

We have been in this war scarcely 9 months as an active participant and yet we find the spectre of a food shortage looking at us. Through the administration of the Selective Service Act and the wages being paid in war industries both for skilled and unskilled labor, many farmers have liquidated their holdings, either in order to meet a draft call or to enter employment in war industry. The auctioneer is already swinging into action on many of our ranches and farms. Moreover, in my own State of Montana 75 percent of the milk marketing areas now have an actual shortage of milk for human consumption and rationing of milk, so vital to the human diet, is on the way. Through the application of the Selective Service Act in my State, 332 expert dairy workers have already been taken from dairy farms, and

a total of 3,821 cows have been removed from the channels of fluid-milk production in these areas. These milk cows are now on their way to slaughter. No lack of loyalty is involved in this situation. These men were drafted to our armed services from this vital industry.

There is no element, group, or class of people in the entire United States more patriotic and more willing to serve and sacrifice to win this war than the American farmer. Their hours of labor range from long before the first rays of the morning sun break over the horizon until darkness sets in. Long have they worked for small incomes to feed a vast nation.

Let us be cautious about making any such move as will put these people out of business. It is my belief that the prices received by farmers and stockmen as used in determining controlling factors in the cost of living and causing of inflation have been overemphasized. Trying to control the price of living by controlling these farm prices at the source is like trying to make the tail wag the dog.

The farm population of this country represents about one-third of our total population. The total income of this country last year was about 90 billions of dollars. Of this 90 billions, our farmers, representing one-third of our population, got about 6 billion 700 million.

It is said this year the farmers' income will be doubled and will reach the highest point in history. How can this be when the prices of farm products today are but one-half of those received during the last World War?

But even if the farmers' income this year reaches a maybe 15 billion, this group of our citizens will not be getting an equal share of our national income. The other 80 billions of dollars will go to the other two-thirds of our population. That is hardly equal distribution.

Let me cite some further figures that are of interest.

In 1920 the nonfarm family income was around \$1,857 a year. The retail cost of all food prices was about 37 percent of this income. Fluctuations in the family income occurred off and on until in 1942 we find, that, from May to July, the average income for this nonfarm family had mounted to an annual income of \$2,336 at retail prices, but 22 percent of this income was absorbed for food.

It will be observed that as nonfarm income goes up, the percentage of this income spent for food declines. Right now it is lower than it has been for 20 years.

Going back to this nonfarm family in the 2 years cited, mainly 1920 and 1942, in both of these years we find that on the average, a farmer and stockman got about one-half or 11 percent of the 22 percent that the nonfarm family spent for its foodstuffs. In some instances, say for bread, and other flour products, the farmer would not receive 50 percent of what the nonfarm family spent for such necessities but would only receive 15 percent for such products.

nois referred is that the farmer's dollar that he gets out of his crop ought to be worth just as much to him as the dollar that he puts in. Under the present rate of exchange that condition does not apply. For months and years we have been talking about the stabilization of the dollar. Labor's dollar has been stabilized, but what, if anything, has been done for the farmer's dollar? The farmer, in the purchase of goods and services, is still obliged to exchange from 5 to 14 hours of his labor for 1 hour of the labor of the industrial worker. That is the condition against which we have been inveighing for years. This bill may do something for the farmer, if it narrows that disparity. I fail to see how it can, and to me it appears that it widens it greater than it now happens to be.

Mr. SABATH. I have not examined the statistics and do not accept responsibility for the statements that have been made in the other body.

Mr. COX. I happen to hold in my hand a graph made by the Department of Agriculture, received this morning which tells the story. There stands the pay of the farm worker, and there is the pay of the industrial worker. Below the pay to the farmer you will find the so-called parity pay.

Mr. SABATH. I am quite sure that every effort is being made and will continue to be made to effect a fair adjustment.

Personally, I am not familiar with the figures that the gentleman has received nor is there any evidence that I know of to substantiate them, but, conceding that farm wages have gone up 202 percent, the price of cotton has increased over 300 percent. The statement that the wages of industrial workers in general has increased over 400 percent is, to me, unbelievable. There may be a few instances of such increases as the gentleman states, but they can only be in the cases of highly skilled technical or precision workers, of which there is a great scarcity. I have given the general increases in wages, which is 71 percent, and I maintain this percentage increase is correct as against the 85 percent general increase in the price farmers receive for their products.

Mr. WICKERSHAM. Mr. Speaker, will the gentleman yield?

Mr. SABATH. No; I am sorry that I cannot yield now. The Congress and the country in the past have expressed complete confidence in the President, and Congress has given him almost unlimited powers, and no one can justly charge that these great powers have in any way been abused. They have always been used for the best interests of our country. Personally, I was under the impression that the powers granted him in this bill were already vested in him under the Constitution, but I shall not argue that point because he has requested the Congress to act, and asks especially that these powers be granted him. I believe he has made this request to avoid any criticism by his enemies and haters and all those opposed to his policies, who, in season and out of season, for years have unfairly charged him with desiring to become a dictator. Further, many able

Members maintain that these powers have already been given him in the last Price Control Act, and, if exercised, would have served to prevent the abnormal increase in the price of livestock. It is claimed by some Members that he has omitted or failed to invoke or carry out these powers. However, it is to discredit these attacks or charges which he no doubt feels might create discord among our people that he urges the enactment of this proposed legislation. I am satisfied that his desire and aim is not only to arrest inflation and an unreasonable increase in the cost of living, but also effect a fair increase in pay of the unorganized wage earners, or, generally speaking, to effect justice, equity, and a square deal for all.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Yes.

Mr. O'CONNOR. I agree with what the distinguished gentleman has just said with reference to what the administration has done for the American farmer. I think it is the first real attempt that any administration has ever made to alleviate the conditions of the American farmer and place him in his proper economic sphere; but I also wish to remind the gentleman that since we declared war farm wages have gone up from 100 to 200 percent over and above what they were 1 year ago; and if we are going to do equity and justice by the American farmer who has been feeding the Nation at tremendous losses for years, we should take into consideration now at least the increased cost of wages that he is required to pay because of the war.

Mr. SABATH. I think that will be done. I earnestly believe that when the President acts the farmers and the consumers also will be satisfied. The gentleman points out the increased cost of farm labor, and the increased cost of wages on the part of organized labor, but the gentleman does not take into consideration the 30,000,000 men—many of whom, of course, are married—who do not belong to labor unions, who are still working for 30 and 35 and 40 cents an hour and cannot pay the increased prices of food and the other necessities of life.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Yes.

Mr. COX. In the present price of farm commodities the farmer is getting a little less than 20 cents an hour for his labor.

Mr. SABATH. I am not going to enter into a dispute with my learned colleague.

No doubt my friend recognizes, and, if not, he should recognize, that the cost of living in the industrial centers is not only 40 or 50 percent greater than in the rural, including cotton, sections, and, though the unskilled industrial workers in the large cities receive double the pay of farm laborers, they still are not on equal economic terms with the farm laborer.

Mr. Speaker and gentlemen of the House, about the only other objections and fears expressed so far as I know relative to the vast powers given to the President in this bill are that he might use that power to hold individual incomes down to \$25,000. While I feel that dur-

ing the war the President is justified in believing that the net income of \$25,000 a year should suffice for anybody, yet I feel in view of the statement which I read in this morning's paper, wherein Mrs. Roosevelt feels disinclined to agree with the President, I can leave to all of you married gentlemen here whether you do not feel, as I do, that it may cause him to hesitate to carry out his views in this respect.

The SPEAKER pro tempore. The gentleman from Illinois has consumed 20 minutes.

Mr. SABATH. I will use 3 minutes more.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Is it a question? I yield for a question.

Mr. RICH. You said a while ago that the President has and has had the power to regulate prices. Is not this a bill to give him unmistakable and complete power and have the Congress turn everything over to him? That is what this bill does, is it not?

Mr. SABATH. This bill gives him additional power and eliminates any doubt that might have existed in the minds of anybody. I believe it will minimize the charges, as I have stated, that have been made by those who have at all times opposed him and his policies, who enviously hate him and who have been wantonly charging him with trying to become a dictator.

Mr. RICH. You abdicate and turn everything over to him.

Mr. SABATH. The statement of the gentleman from Pennsylvania as well as others that he makes are uncalled for and unwarranted. They are made only for the purpose of creating prejudice against the administration.

It is for that reason that he has urged and requested, perhaps in rather strong language, that remedial action be taken and that unmistakable power be given to him so that there can be no question in the minds even of his enemies that he is usurping power in this important field.

As I said before and I now repeat, the Nation has expressed its implicit and complete confidence in the President three different times. We have. So far he has not abused any power that was given him and I feel satisfied that he will not abuse it in the future. Of course, his enemies and the enemies of the New Deal generally will proceed to abuse and accuse him, but we all know that Washington, Jefferson, Jackson, Lincoln, Teddy Roosevelt, and Wilson, great Presidents who ever were fighting to protect our liberty, justice, and the maintenance of our form of democratic government, have thus been criticized. I feel that President Roosevelt is such a great man, being recognized universally as the greatest statesman in the world today, that he can take it, because he is doing the righteous thing by his country.

Mr. Speaker, I reserve the balance of my time and yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I yield 15 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I am going to try to talk a little about the way in which this bill comes before us and some of the implications which it contains and, also, something about some of the terms of the bill. I trust that what I will have to say will be of such interest to the membership that some degree of order can be had.

After all, we are dealing with a highly important proposition. It is a problem for the solution of which I think the overwhelming majority of the people of this country are holding us accountable.

First of all I want to commend the members of the Committee on Banking and Currency for the speed and expedition with which it has handled this matter. I just hope that it has not been a case of haste making waste, because, as I said a moment ago, this matter is of tremendous importance and of far-reaching implications. One might even be led to suggest that possibly last summer when there was so much talk about the growing threat of inflation and when the clouds of runaway inflation were hovering over the country, when there was so much talk about some action being had, it might have been better had the leaders of the administration at that time sent word up here about their ideas rather than to wait until this rather late hour and to tell us to do it by October 1, or else.

I commend the committee also because this bill is not a blank check of authority to the Executive and his administrative assistants. Controls are written into the bill. Safeguards are written into the bill. Our people all recognize that in time of great stress and strain tremendous power must be concentrated in the hands of the Chief Executive and more particularly do they recognize that tremendous power must be concentrated in the hands of government in Washington. But while they recognize that, I am convinced that their strength and determination in an all-out war effort will be heightened as they are led to believe that they are in the hands of a collective leadership in Washington, a leadership that recognizes responsibility in the legislative branch of the Government for those affairs and matters that are properly before it.

I congratulate the committee for including in this bill something in the way of wage stabilization. When the President sent his message to us and spoke to the Nation he did not ask for wage controls in the bill. I hold in my hand a copy of Victory, put out by O. W. I., on September 15. The headline is "President Asks Curb on Farm Prices." Apparently there is nothing about wages, except this, and I quote again from that article:

Wages can be stabilized at the same time as farm prices are stabilized—

He added—
and this I will do.

Now, I congratulate the committee of this Congress for not leaving that equally important matter to the determination of the Executive. I congratulate the committee for putting into this bill something about wage stabilization.

Now, this bill is before us, as I stated, as a result of the message of the President and his address to the people of the country.

It was, as I said, a do-something-about-it-or-I-will message. Personally, and I think a lot of members of the committee agree with me, I do not believe the President under any executive authority presently in his office would have power to do the things that are sought to be done by the Congress in this bill. But wholly apart from that, I wonder whether or not that message to the people and to the Congress was justified in the light of all the circumstances. Let us take a look at the record, as somebody once said. About a year ago the Congress was asked to do something about price control and about the threat of run-away inflation. We all knew the dangers of run-away inflation and we all recognized that something had to be done. There was a choice before the administration and the Congress, a choice between a so-called over-all system that would have included farm prices and wages, and a so-called selective system that contains something about farm prices but nothing about wages and left the time, or place, or period of intervention in the hands of the administrator.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield at that point?

Mr. HALLECK. I should like to continue with my statement, if I may.

As I remember, and I believe my recollection is correct, the Administration got about what they wanted in the bill that was first enacted by the Congress. Some of us were for an over-all type of control; some of us recognized the necessity for this sort of action and stood up and voted when the time came, but there just were not enough votes to put it over. I believe also that had the administration at that time demonstrated the courage, the audacity, and the proper depth of understanding of the readiness of the people to go along in an all-out effort that we would not be here today undertaking to supply the deficiencies of the original proposal. I feel that it is worthy to note that that great leader who very recently was chosen by the President to head a committee trying to solve the rubber muddle existing in the country was at that time contending that more of an over-all price-control system would be absolutely essential to any effective dealing with the problem. Without minimizing the responsibility of the Congress, because it was in large measure our responsibility, I say again that had we received a little encouragement, had we had a little of that strong leadership for which the people of this country are crying, we could have avoided many of these recent increases in prices about which so much is now being said. Much is being said about the so-called farm bloc in Congress. At times I am accused of belonging to the farm bloc and at other times some of my farmer friends say there must be something wrong with me because I do not properly represent the farmers of my district; and

as a matter of fact I am not in any bloc. But I have always had an idea that the farmer along with everyone else is entitled to a square deal under our Government and our economy. That is all I ever tried to give him.

What I have to say may not please some of the folks who talk so loudly about the unconscionable demands of the farm bloc, but I honestly feel that many farmers have had quite a lot of kicking around in recent months and years. They are being kicked around now in respect to the farm labor problem. Consider the situation of the farmers in your district. Let me say that in my area men who have operated big farms cannot get help to run them and are letting part of their farms lie fallow, or letting them go to pasture or are just quitting. You can pick up any weekly newspaper in my district and see where herds and herds of dairy cows are being offered for sale. Why? Because farmers cannot get the help to run their businesses. I do not know that this can be said to be the fault of any one particular person, because, after all, there is a demand for manpower in this country that is becoming almost overwhelming. But I do say that as among others the farmers have certainly had a little consideration coming to them.

Certain of the recent prices affecting the cost of living have been charged against the farmers and have been causing much concern in the country. Let us consider the law under which we are operating—the statute enacted by the Congress last January, since which time it has been in effect. Let us examine the authority granted the President to see who is now responsible. It provided for a farm ceiling price of 110 percent of parity with a couple of alternative provisions. It was to be operated under the selective system, giving the Administrator authority to act. Some of my farmer friends said to me that the bill was all wrong because it did not include wages. Maybe that was a valid criticism but I voted for the bill. It refers to 110 percent of parity. There has been a lot of talk about parity, yet a lot of people do not know what it is. Here is a definition that is short and to the point that was written by the Department of Agriculture:

The parity price for any commodity may be described as that price which will purchase the same amount of goods the farmers buy as it did in some prescribed base period, usually August 1909 to July 1914. It is calculated each month by multiplying the base period average price received by farmers, for instance, \$5.42 for beef cattle, by the current index of prices paid by farmers including interest and taxes. In March 1942 this index was 1.43, and the parity price for beef cattle was \$9.02.

Just what does that mean? The parity formula has been fixed; we have known what it was; it has been written about and talked about for years, but any given price under the parity formula computation is not fixed. It is an attempt to tie the farmer's dollar to the dollar of the man in the city. This has been the goal of the New Deal adminis-

tration ever since I have been in Congress. It would seem that parity on that basis is about the least the farmer is entitled to.

Now, how did that bill that we enacted into law last January work? Well, when we consider that, let us see what inflation is. An increase in prices that we call inflation is the result of the impact of an increased purchasing power on a diminishing supply. That old law of supply and demand has never been repealed, and I do not think it is going to be repealed right away.

What has happened? On grain raised in my country, of which there has been a surplus, that impact has never operated. What is the result? Why, the parity price on August 15, 1942, on wheat was 71 percent. That is, the price was 71 percent of parity. Corn was 85 percent; oats, 70 percent; and rye, 45 percent. Soybeans have gone up in price. The Government has guaranteed, as I understand it, \$1.60 a bushel. Those grain prices represent the dominant grains raised in my country.

From my home-town paper in Indiana here are the cash quotations on grain to the farmer: Wheat, \$1.10; No. 2 corn, 78 cents; oats, 46 cents; No. 2 beans, \$1.60; what the Government says it is going to pay; and rye, 60 cents.

It is obvious from that that the so-called 110 percent parity about which there has been so much talk and for which the farm bloc has been criticized has never operated on those prices. Corn is selling below parity, for one reason because our papers during the last week have been full of publicity releases by governmental authorities and others urging feeders in our section to buy wheat that will be delivered there by the Government for 82½ cents a bushel. As long as you do that, corn is going to ride along at 78 cents, which is away below parity.

Criticism has been made of livestock prices that have advanced. They have advanced, but why have those prices advanced? They have advanced because there has been a tremendous demand that has exceeded the available supply. We all recognize the necessity for the production of livestock. We have had a shortage apparently in the production of livestock or at least in the available supply in spite of the prices that have been paid.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. HALLECK. Now, the price of hogs has gone to 128 percent of parity, beef cattle 137 percent of parity, veal calves 126 percent of parity, and lambs 125 percent of parity. Assuming those prices should not have gone that high—although I assume that probably was not only permitted but encouraged in order to stimulate production—but, to repeat, assuming they should not have gone that high and that someone should be criticized because they have been permitted to go that high, is the responsibility on the Congress or is it on those in charge of the administration of the act which we put on the books last January? I say the responsibility is in the hands of the President and his administrators, who

could have applied the ceilings given them by the Congress of the United States, and they could have stopped these increases if they had wanted to.

I stated that the President's message was quite a jab at the Congress. As one Member of Congress, I do not propose to stand by and see that attack made on my position. Now, to check my figures and the authority granted under the bill, I inquired yesterday in the Rules Committee of all the members of the Banking and Currency Committee if my contention about administrative power under existing law is correct, and it was not challenged by one of them.

I talked to a lot of beef feeders when I was home. We have a kind of an operation there in the Corn Belt area that may not be familiar to all of you. Our fellows raise corn in tremendous quantities. A farmer with 160 acres will go to Chicago and get maybe 50 steers that have come in off the range country from the West or some other area. He will take those feeder cattle to his feed lot, to his farm, and he will feed this corn to them. Then he takes them back to Chicago and sells them. It is obvious that he has got to get some sort of a spread between what he buys and what he sells in order to make any money for his operation and to get paid for his feed. All my beef feeders state, "We are not going to object to any reasonable ceiling so long as a ceiling is placed on the animal we have to buy and the feed we have to buy and if prices generally are stabilized. All that we ask is that we get a fair return for our feed that we put into these animals and a fair return for the work and the risk involved in feeding."

May I say another thing about this operation as it affects beef cattle. I do not know what has been in the minds of some people in the Government but apparently they have tried to set up a demand for these lighter grass-fed cattle that has shoved the price up to almost what we get for a finished prime corn-fed steer out of the Corn Belt area. What is the result? It brings about an unfair discrimination. If there is a shortage of beef, then why in heaven's name should not these feeder cattle be given the surplus corn and wheat that exists on our farms, put three, four, or five hundred pounds more weight on them, then use them for the Army, Navy, lend-lease, the civilian population, and everybody else who has to buy beef?

There is one thing that the feeder of cattle has always had to contend with. His is a kind of speculative proposition at best. He buys a lot of high-priced stuff and takes a tremendous gamble on what the market is going to be. Now, in addition to having to gamble on what the market will be, he has to gamble on what the Government is going to do. They are crying above everything else that the Congress, the Government, and the administrators take out of the difficulties before them the uncertainty that presently confronts them. I know feeder after feeder who is not going into the market to get feeder calves and feed them. Why? Because of the conflicting statements, the indecision, one thing said this way and something else said another way,

the pulling and the hauling, and the administrative bickering that has got them down to where they do not know what they are doing.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 2 additional minutes to the gentleman from Indiana.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. The gentleman is so clear in his explanation that he must know, as we all know today, what the trouble is going to be if all costs are to be added to parity before there is a new formula for parity. I want the gentleman to make it clear, and I am sure we all agree, that parity was that if a bushel of wheat could buy a shirt in 1909-14, it should buy a shirt today. Am I right? I want the gentleman to agree with me. Because the bushel of wheat costs more to raise, they want two shirts, maybe. But can we not remind the people here today that the shirt manufacturer says that the shirt has cost so much more to make that he wants 2 bushels of wheat? That problem is going to be pressed today. I think the gentleman's opinion will be very valuable to us if he will say that I am right or that I am wrong in the discussion of what parity may be.

Mr. HALLECK. The gentleman is ingenious. He comes from the great State of Massachusetts. I have undertaken to say what parity is and I have said what it is. The definition of parity as given by the Department of Agriculture includes taxes and interest. Those are items in the cost of production of the farmer. I do not know what other items have been specified or may be specified, but the farmer's cost of production is certainly an important consideration. The only thing on which I insist, as I said before, is that the farmer get a square deal with the industrial worker and vice versa. It is no secret that workers are leaving the farms all over the country to take \$8-, \$10-, and \$12-a-day jobs in industrial plants, and the farmers are finding it virtually impossible to meet the competition.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 2 additional minutes to the gentleman from Indiana.

Mr. COFFEE of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. The gentleman has advocated a price ceiling on cattle, the live animals, the feeder cattle. I am sure that if the gentleman investigated the situation he would realize that is a wholly impracticable job, especially for a price administrator and his army of inspectors. How in the world could that be done in view of the hundreds of different classifications and grades that exist?

Mr. HALLECK. I recognize that there are practical difficulties in the way of any such far-reaching proposal as this. Adequate price control is a tremendous undertaking. But there are the same practical difficulties in determining the

grades of the cattle that go in from the corn farms as finished prime beef as there are in grading the feeder cattle. But I say again that except as you ceiling the price of the feeder calves that the feeders in the Middle West must buy to feed their corn to, you are going to squeeze them out. If you let the price of feeder stock go on unchecked, then you will have a continuance of the existing situation, one under which the feeders are saying, "We just cannot do the job."

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman spoke about labor leaving the farms and going into industry. The greatest offender in this respect is the United States Government. Everything the Government is doing it is doing on a cost-plus basis. It is paying enormous wages, but unions are striking for more and more. The contractor and the union man go down the street arm in arm, and they say, "Raise them up, we will get it out of the Government." They are going to the farmer and taking his labor. That is what the trouble is.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Labor being the largest single item the farmer purchases in making his crop, does the gentleman believe labor should be included in the parity formula?

Mr. HALLECK. If I undertook to enter into a lengthy discussion of that, it would take up more time than is available. I have given the subject a lot of consideration, but I did not in the statement I made here undertake to develop that question. It is obvious that the cost of production as it affects the farmer is a highly important one. After all, if the farmer does not get back more than his cost of production, he has no profit, and obviously he cannot be said to prosper under that condition.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a list of farm commodities above parity and a list of farm commodities below parity.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, every contemplated move at this critical time in our Nation's history—legislative or otherwise—by Congress or by any other branch of our Government, should be measured by the yardstick of how much will this move contribute to winning the war, preserving our form of government, and preventing economic chaos.

While I was surprised at the tone of the President's recent message to a heretofore and now friendly Congress, I welcome his effort in bringing to the fore the important questions presented by

him as I believe there is more or less misinformation spreading over the country in relation to these problems. Every person in and out of Congress is in sympathy with the general objectives of the President's program, mainly to bring under control the price of living and prevent inflation.

However, let me emphasize that no step should be taken that will imperil the production of food—the most essential item for winning this war. Farmers and livestock producers today are faced with unprecedented high costs of production on every front. Farm labor is so scarce that it is nearly impossible to secure at any price. This has been caused, primarily, by the wages paid by the Government on cost-plus contracts for ships and other war material. Wages on some of these projects range as high as \$1 to \$1.50 per hour for common labor. Then there is the operation of the draft act, voluntary enlistments in the Army, Navy, and other branches of our armed service, and other factors.

We in Montana are so pressed for farm help that we are required to pay from \$6 to \$8 per day for help to stack our hay and harvest our other crops, and as high as \$4 to \$5 per day for 10-year-old boys and women. These wages include board and lodging. There is no market for this expensive hay, but we stockmen and farmers must have it to carry on our business. It is an essential product of the farm. Without it we cannot raise beef cattle and sheep. Some ranchers this year were so pressed for labor that they did not attempt to put up their hay. They turned their stock into the meadows to feed and planned to market them as beef this fall. Next year they will have no beef to feed our defense workers and our fighting men scattered all over the world.

On the second front is the tremendous increase in the cost of repairs to farm machinery; that is if these needed parts can be found at all, at any price. Large quantities of badly needed machinery were not used this year because of the inability of farmers and stockmen to secure repair parts.

Taking these factors into consideration, the farmers' and stockmen's cost of production has risen tremendously of late.

We have been in this war scarcely 9 months as an active participant and yet we find the spectre of a food shortage looking at us. Through the administration of the Selective Service Act and the wages being paid in war industries both for skilled and unskilled labor, many farmers have liquidated their holdings, either in order to meet a draft call or to enter employment in war industry. The auctioneer is already swinging into action on many of our ranches and farms. Moreover, in my own State of Montana 75 percent of the milk marketing areas now have an actual shortage of milk for human consumption and rationing of milk, so vital to the human diet, is on the way. Through the application of the Selective Service Act in my State, 332 expert dairy workers have already been taken from dairy farms, and

a total of 3,821 cows have been removed from the channels of fluid-milk production in these areas. These milk cows are now on their way to slaughter. No lack of loyalty is involved in this situation. These men were drafted to our armed services from this vital industry.

There is no element, group, or class of people in the entire United States more patriotic and more willing to serve and sacrifice to win this war than the American farmer. Their hours of labor range from long before the first rays of the morning sun break over the horizon until darkness sets in. Long have they worked for small incomes to feed a vast nation.

Let us be cautious about making any such move as will put these people out of business. It is my belief that the prices received by farmers and stockmen as used in determining controlling factors in the cost of living and causing of inflation have been overemphasized. Trying to control the price of living by controlling these farm prices at the source is like trying to make the tail wag the dog.

The farm population of this country represents about one-third of our total population. The total income of this country last year was about 90 billions of dollars. Of this 90 billions, our farmers, representing one-third of our population, got about 6 billion 700 million.

It is said this year the farmers' income will be doubled and will reach the highest point in history. How can this be when the prices of farm products today are but one-half of those received during the last World War?

But even if the farmers' income this year reaches a maybe 15 billion, this group of our citizens will not be getting an equal share of our national income. The other 80 billions of dollars will go to the other two-thirds of our population. That is hardly equal distribution.

Let me cite some further figures that are of interest.

In 1920 the nonfarm family income was around \$1,857 a year. The retail cost of all food prices was about 37 percent of this income. Fluctuations in the family income occurred off and on until in 1942 we find, that, from May to July, the average income for this nonfarm family had mounted to an annual income of \$2,336 at retail prices, but 22 percent of this income was absorbed for food.

It will be observed that as nonfarm income goes up, the percentage of this income spent for food declines. Right now it is lower than it has been for 20 years.

Going back to this nonfarm family in the 2 years cited, mainly 1920 and 1942, in both of these years we find that on the average, a farmer and stockman got about one-half or 11 percent of the 22 percent that the nonfarm family spent for its foodstuffs. In some instances, say for bread, and other flour products, the farmer would not receive 50 percent of what the nonfarm family spent for such necessities but would only receive 15 percent for such products.

It has been said by high authority that if farmers produced wheat free of charge, the average person would save less than 1 cent a day on bread. It is needless to say that bread and other flour products are the staff of life, especially at a time like this. It is also needless to say, that on the basis of these figures, the farmer is definitely not a war profiteer as has been charged.

My conviction is that with the current high level of consumer demand, it is nearly certain that most retail prices would hold at present high levels even though farm prices were reduced, unless this should be followed through by a forced downward move of maximum prices at retail by the Office of Price Administration.

Among other factors, the price of which enter into the cost of living, are rent, light, heat—the latter especially important in our northern and western States—exorbitant interest rates on sales contracts—with which practically every American family is burdened—transportation, clothes, social security, medical and dental care, cosmetics, repair and maintenance of homes, education of children, entertainment, and countless other necessities. Maybe the prices and costs of these essentials should also be controlled.

Legislation is now sought to fix ceilings on the prices the farmer receives for his products. It is alleged that this price should not be above parity. I have gone into this question of farm products selling today both above and those selling under parity prices, and I find that 76 farm products are selling above parity price and 74 below. Each list, in my opinion, is of importance in a family's diet. You will see that the list is not much out of balance. I am attaching hereto such lists for your information.

If we bring up to parity those products which are now selling under parity prices and reduce those which are selling above parity, we will not see any noticeable change in the cost of foodstuffs.

Owing to the climatic and soil conditions, different sections of the country are adaptable to the production of different varieties of foodstuffs, all of which combine in the aggregate to contribute to the living of an average American family.

For instance, in our great northwestern country, of which Montana is a major part, the principal crops are wheat, rye, oats, barley, sugar beets, hay, beef, mutton and wool, beans, and other minor vegetables and fruits.

You will observe that wheat, barley, oats, sugar beets, and hay are listed under parity. Beef, lamb, and wool are rated above parity.

It is estimated in the December 1941 issue of Crops and Markets that the cost of producing and marketing a bushel of wheat in a State like Montana amounted to 86 cents, including rent, or 65 cents excluding rent. Those figures were taken from a 10-year average. Wheat in Montana is now selling for from 92 to 99 cents a bushel, depending upon the quality, scarcely more than the cost of production. In 1940 the estimated cost of a bushel of oats was 40 cents, includ-

ing rent. Oats are now selling for about that same price. Other farm products are selling at about the same ratio.

As to cattle it has been estimated by economic authorities of the Department of Agriculture that the average cost of producing a beef in the range country of the West under present circumstances is as follows:

Four-hundred-pound calf, \$40.

Seven-hundred-pound yearling, \$60.

Nine-hundred-and-fifty-pound two-year-old, \$85.

One-thousand-and-two-hundred-pound grass-fat three-year-old, \$110.

These figures I have quoted represent actual cost of production covering the past few years. I raise cattle myself and from my experience and knowledge I would say they are about right. Some cattle in Montana are selling for slightly above these figures. On the basis of parity, this 400-pound calf mentioned above would bring about \$33, or about 18 percent lower than cost of production. The other animals would bring correspondingly lower prices.

If we apply the strict rule of parity and the formula currently used and say to the stock growers: "You must take parity for beef—and let me include sheep and other livestock in this list—on foot," we will sweep the ranges clear of cattle and maybe sheep as the cost of actual production will be far above what they are calling parity. On the basis of parity a stockman would get \$8.24 per hundred-weight for his beef animals.

The element that is lacking in the formula fixing parity is the absence of taking into account wages for farm help.

The President in his message to the Congress on September 7 this year very aptly covered the matter when he said:

After all, parity is, by its very definition, a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production, including the cost of labor.

Farm labor, from the days of 1909–14 up to the present, have risen at least 200 percent. And industrial wages have been upped at least correspondingly. This increase in industrial wages from 1933, at the time the parity law was written, to the present time also has not been accounted for in the formula.

Suppose a critic of a plan to include farm wages in parity were to spend a couple of days on the average American farm or ranch. He will see the wife, and in nearly all instances also a mother, rising at the crack of dawn to carry on the household work and perhaps help in the field during these trying times. A little later, the children, both boys and girls, will be getting out to their respective odd jobs before trudging off to school or joining with the work in the fields. Maybe they are running the milk separator, carrying in wood and water, taking in the milk cows and returning them to pasture, and a thousand and one other things that only youngsters do so well. The old man is not idle either. From the minute he rolls out of bed until long after dark he is busy managing the difficult job of operating the farm. Not only does he manage but he works the day throughout. At nightfall you will find this family's work still unfinished.

The farmer, the wife, and the children are allowed nothing as wages in this parity formula—neither are they allowed anything for the wages they pay hired help. Give these folks or each of them even a small percentage of what we pay to others then you will see the formula for parity blown into a cocked hat. In order to be fair to the farmer the parity formula must be changed to include farm wages and something for the family's work if parity is going to be the measuring stick of farm prices.

Let me point to another illustration showing how ceiling prices and parity affect the stockmen:

Cattle feeders are today fearful of filling their feed lots on account of the Government's threatened reduction in the price of beef. In this connection we of the Northwest have an active market for our spring calves in the fall. This year, owing to the uncertainty of what steps are to be taken to control the cost of living, feeders only in a few instances are contracting or buying our calves. To show the disastrous effect of this condition it is only necessary to point out that a spring calf in Montana will weigh somewhere between 380 and 400 pounds. That calf placed in a feed lot a year from this fall will have taken on close to 500 pounds, the increase of weight being made up of natural growth together with the poundage produced through scientific feeding. If these calves are not so fed, the Nation will lose in the neighborhood of 200 pounds of beef on each animal raised, as that same animal will not take on to exceed 200 to 300 pounds a year on the open range.

That would be a whole lot of beef for this country to lose at a time when every ounce and every pound is needed to feed our fighting men, our civilians, and our defense workers.

Again, I emphasize that the placing of a ceiling on live beef animals has scared the so-called feeder and unmatured beef are being marketed with a result that beef weighing from 100 to 200 pounds under what they would weigh if properly finished are being sold. We cannot afford to take this loss on our beef cattle and neither can the feeder, the stockman, or the sheepman.

Any ceilings on live beef or other meat animals at this time will not only cut production now but also in the future.

Moreover, ceilings could not be intelligently imposed on live animals without grading these animals by competent cattlemen. Cattle are marketed daily in thousands of places and on thousands of ranches and farms. It would take a vast army of trained men to determine the value of this stock. Furthermore, with the price arbitrarily set, there would be no competition among buyers. In a few words, ceilings on live animals will not work from a practical standpoint.

I do not believe it is the purpose of the administration or anyone else to force the farmer and the cattleman to produce below cost of production, especially in view of the tremendous profits now being made by thousands of others through high wages and Government contracts. The farmer, in a country such as ours, is entitled to his share as well as the ship-

yard worker, the munitions worker, and the owners of the giant industries which are turning out implements of war.

Now a word about wool. It has been charged that the prices the sheepman receives for his wool have resulted in a sharp increase in the price of clothing for men and women. Let us analyze this complaint a moment.

A typical three-piece suit of clothes takes $3\frac{1}{2}$ yards of woolen worsted material. Medium heavy weight wool weighs 14 ounces to the yard. Making of a suit requires 4.14 pounds of scoured wool or about 10.2 pounds of wool in grease as sold by the sheepman. Based on August 15 prices, the scoured wool in a suit of clothes cost about \$4.60. This wool was sold by the sheepman at an average of 39 cents per pound earlier in the season, making a total cost of \$4.73 for the quantity required for the suit. The August parity price of wool at the farm was 27.8 cents, and the comparable cost of wool in a suit at parity price was \$4.34. These suits, mind you, retail at from \$25 to \$70. The wool grower himself probably gets 10 percent or less as his share of the cost of that suit.

I need not emphasize that men and food will win this war.

Every child knows that the absence of either would be fatal. The best equipped and armed garrison in the world can be captured in a few weeks if it has no food. The soldiers on Bataan were starved into submission. If they had had sufficient food, including some good beefsteaks, perhaps the story would have been different. Let us not take a step that would cause us to wake up some fine morning and discover here in the United States a serious food shortage.

I trust that whichever course is followed by this Congress—whether the President is given blanket authority to fix prices or whether ceiling prices are fixed by Congress itself—that we will not destroy our vital food-producing industry.

We all want the cost of living controlled, as well as inflation. There is no argument about that. But—and let me emphasize this—we must hit every head in the economic set-up that sticks up and contributes to the increasing cost of living and inflation. We should not single out a head to hit that is today under the general economic level.

I am not unmindful of the job of converting a peacetime nation to all-out war. The picture we must get fixed in our minds is not one of this group or that group having the edge, but it takes all groups to fill in and round out an over-all picture. A chain is as strong as its weakest link. Our economy is as strong as it is at its weakest spot. The winning of this war is going to require the cooperation of every group and every man, woman, and child in this country. No group should be permitted to profit at the expense or at the cost of our general over-all effort, neither should any group be unfairly dealt with. Our enemies cannot lick us, but we can lick ourselves.

In closing let me again remind you that farmers, stockmen, and sheepmen for years without number have fed this Nation at tremendous losses. The records of the courts of bankruptcy are replete with evidence of the tragedies of these people. Let us not take a step in this critical hour that will not only cause repetition of these tragedies but imperil our war effort as well.

Farm products: Relationship of prices received by farmers to parity prices, Aug. 15, 1942

Above parity	Below parity
Rice, rough.	Wheat.
Dry field peas.	Corn.
Soybeans.	Oats.
Cottonseed.	Barley.
Potatoes.	Rye.
Sweetpotatoes.	Buckwheat.
Hops.	Grain sorghums.
Tobacco:	Flaxseed.
Blue-stemmed, type 11-14.	Cowpeas.
Maryland, type 32.	Velvet beans.
Maple sirup.	Beans, red edible.
Maple sugar.	Peanuts.
Seeds:	Cotton.
Alfalfa.	Broomcorn.
Crimson clover.	Popcorn.
Orchard grass.	Hay, all (loose).
White clover.	Sweet sorghum forage.
Common rye grass.	Sorghum sirup.
Vegetables for fresh market:	Sugarcane sirup.
Artichokes.	Sugarcane for sugar.
Beets.	Sugar beets.
Cabbage.	Seeds:
Cantaloups.	Red clover.
Carrots.	Alsike clover.
Celery.	Sweetclover.
Cucumbers.	Timothy.
Kale.	Sudan grass.
Lettuce.	Redtop.
Watermelons.	Hairy vetch.
Vegetables for processing:	Vegetables for fresh market:
Asparagus.	Asparagus.
Cabbage.	Beans, lima.
Peas, green.	Beans, snap.
Spinach.	Cauliflower.
Tomatoes.	Corn, sweet.
Oranges, for processing.	Eggplant.
Grapefruit, on-tree:	Onions.
For fresh consumption.	Peas, green.
For processing.	Peppers, green.
Lemons, on-tree, for processing.	Shallots.
Apples:	Spinach.
For canning.	Tomatoes.
For drying.	Vegetables for processing:
Peaches for canning:	Beans, snap.
Clingstone.	Corn, sweet.
Freestone.	Cucumbers.
Peaches, dried.	Pimientos.
Pears:	Oranges, on-tree, for fresh consumption.
For canning.	Lemons, on-tree, for fresh consumption.
Dried.	Limes.
Plums:	Apples.
Fresh.	Peaches, fresh.
For canning.	Pears, fresh.
Grapes:	Prunes:
Except raisin.	Fresh.
Raisin, dried.	For canning.
Apriots:	Dried.
Dried.	Cherries:
For fresh consumption.	Sweet.
Figs, dried.	Sour.
Olives:	Apriots, for canning.
Canned, ripe.	Figs:
Crushed for oil.	For fresh consumption.
Pineapples, Florida.	For canning.
Cranberries.	Avocados.
Red raspberries.	Dates.
Black raspberries.	Pecans:
Loganberries.	Seedling.
Gooseberries.	Improved.
Blackberries.	Walnuts.
Almonds.	Gum rosin, all grades.
Hogs.	Gum turpentine.
Cattle.	Sheep.
Calves.	Horses.
Lambs.	Mules.
Milk cows.	Turkeys.
Butterfat.	Honey:
Butter.	Extracted.
Milk:	Comb.
Wholesale.	Beeswax.
Retail.	
Milk equivalent.	
Chickens.	
Eggs.	
Wool.	
Mohair.	

Mr. FISH. Mr. Speaker, I yield myself as much time as I may desire.

Mr. Speaker, the problem before us is that of defense against inflation and its ruinous consequences to the American people. We must realize that our standards of living will be reduced as a result of war and the attack on Pearl Harbor. It is inescapable. All elements of the American people are ready and willing to make sacrifices on an equitable basis to help win the war. The position of the great farm organizations, including the National Grange, of which I am a member, is that they are willing to reduce the 110 parity price provided any ceiling placed on farm products should include cost of farm labor as set forth in the parity formula and control of industrial wages comparable to farm price control. The New York State Farm Bureau Federation, through its president, C. C. Dumond, has made similar recommendations. All the farmers are asking for is a square deal and a right to survive and maintain their farms and investments and make a reasonable profit.

The dairy industry is the largest single industry in my district and the dairymen in the Hudson River Valley are eking out a precarious living at the present prices.

The metropolitan newspapers are always saying the farmer is getting too much. The fact is that the farmers and dairymen of the Hudson River Valley have not been getting enough. It is sheer nonsense to say that the farmers in my district are profiteering. I know that is not so. They are not receiving a decent return on their investments and labor. The big city newspapers apparently do not know that the farmer sells wholesale and buys retail. The appeal of defense wages is attracting many off the farms, a the farm income will not permit an increase in wages, and the draft is taking farmers' sons between 20 and 44 years of age. Our farmers are regimented, taxed right and left, but obtain no benefit or increased income. It is time the press stopped intolerant and unfair attacks upon the farmers who are entitled to receive fair prices for their products, and this applies specifically to the dairymen of Dutchess, Orange, and Putnam Counties. The farmers of my district are having a difficult time to make ends meet, due to increased cost of all farm equipment, increased cost of dairy feeds, and the rise in price of everything they buy.

Mr. Speaker, I ask unanimous consent to include in my remarks at this point a telegram from Fred H. Sexauer, president of the Dairymen's League Cooperative Association of the State of New York, which explains the point of view of most dairy farms in the State of New York. The sons of our farmers and dairymen are being inducted into our armed forces and the problem of capable farm labor is becoming more serious every day. Mr. Sexauer is right in warning that unless the farmer and dairymen are treated fairly and placed on an even basis with labor and industry there may be a serious food shortage in our own country.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to is as follows:

NEW YORK, N. Y., September 21, 1942.
Hon. HAMILTON FISH,
House of Representatives,
Washington, D. C.:

Dairy farmers cannot continue to produce adequate amounts of milk and milk products under prices allowed by proposed Wagner price-ceiling bill. Present parity formula in bill would reduce prices to farmers and eventually result in reduced volume of production, extensive food rationing, and eventual food shortage. Even now Secretary Wickard and Under Secretary Appleby are quoted as predicting food shortages next year. Further discouraging farmers by inadequate price ceilings is dangerous. Urge you support amendment to include wages in parity formula as recommended by four national farm organizations. Anything less than amendment urged by National Grange, American Farm Bureau, National Council of Cooperatives, and National Cooperative Milk Producers Federation will seriously threaten the Nation's food supply. Even with this amendment food supplies cannot be assured if public officials and public press continue to discourage farmers by continued condemnation. Urge you again to follow unanimous suggestion these national farm organizations.

FRED H. SEKAUER,
President, Dairymen's League
Cooperative Association.

Mr. FISH. To show how seriously the draft is affecting the labor problem on the farms in my district I am including a letter signed by approximately 100 farmers and residents of Orange County asking me to help obtain permanent deferment for a third son aged 44 years to help his 75-year-old widowed mother to run a 185-acre farm with a dairy herd of 30 cows, and I shall do everything in my power to have their proper request granted.

WALTON LAKE, MONROE, N. Y.,
September 18, 1942.

Hon. HAMILTON FISH,
Congressman, Washington, D. C.

DEAR SIR: We, the undersigned, residents of Orange County, N. Y., are appealing to you in behalf of Mrs. James Henry.

Mrs. Henry is a widow, 75 years old, with a dairy farm of 30 cows and 185 acres of ground. Her three sons, who were working the farm for her, have all been drafted. Gerald S. Henry is in camp in Colorado; James G. Henry reported for induction today. The oldest, Charles R. Henry, who is about 45 years old, received a postponement till December 22. This will leave Mrs. Henry absolutely alone with no help. The local draft board to whom she appealed advised her to obtain help and "break them in" to work her farm.

The fact that only last Saturday four farmers in this vicinity were obliged to sell out because of being drafted, is sufficient to show how utterly impossible it is to obtain any help, especially farm help.

The Government asks us to use more dairy products because of meat shortage, and the farms in this vicinity are all dairy farms. We feel that Charles R. Henry will be serving our glorious country in the best possible way by running the farm for his old mother, and thus saving another splendid farm from being deserted.

We turn to you as our Government representative in behalf of these people, who are among the very finest of our citizens, dependable and hard working. We know that you are interested in our welfare and will do all in your power to come to Mrs. Henry's aid.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina [Mr. FULMER].

[Mr. FULMER addressed the House. His remarks appear in the Appendix of today's RECORD.]

Mr. FISH. Mr. Speaker, I yield the balance of my time to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, we received this bill about an hour and a half ago and this is the first opportunity we have had to know what is in the measure. We are going to debate it today and tomorrow we vote on it.

In this bill it is stated that the purpose is to aid and effect the prosecution of the war and it is also stated that the President is authorized and directed to stabilize prices, wages, salaries, and other factors affecting the cost of living. It goes on to stipulate a few things which probably will be regulated to a certain extent, but it puts into the hands of the President the question of the regulation of all prices. He has had that power for months.

As was stated by the gentleman from Illinois [Mr. SABATH] a while ago, he has had that power. In his speech of September 7, he stated that unless the Congress regulated the prices of commodities by October 1, he would do it. All you are doing in this bill as I see it is simply saying, all right, Mr. President, go ahead. We delegate our power to you.

I am not in sympathy with that kind of legislation and I want you to understand that. When you come to section 4 of this bill, all labor that has not been granted a 15 percent increase since the first of the year is going to be granted automatically a 15 percent increase—15 million or more wage increases. The farmers are going to have to stand their share of that increase and that, in turn, is going to increase the price of farm commodities.

I am not so much opposed to the increasing of the wages of those who receive 40 cents an hour or less. I think that ought to be done. But I am opposed to permitting the Government to grant cost-plus contracts on all the things they are doing and in that way create a demand for high-priced labor, so that the contractors will go to the farms and say to their help that they will pay them more money in industry than they can get on the farms. This is the trouble today and this is the reason farm labor is migrating to the industrial centers. The man working on the farm can get more money working in the industry of Uncle Sam and then the labor organizations are interested in increasing wages and the more they get, the more the farmer has to pay for his labor and the more wages paid for labor, the greater the burden that the taxpayers of this country have to bear.

And now the contractor and the labor union organizer are going down the street arm in arm, saying, "Uncle Sam, we want more money for the production of these articles"; and they go to the War Department and to the Navy Department, and they say that it costs more to do the job, and up they jack the price,

and we are in an awful mess, I would say. High costs and high prices and getting higher every day.

Mr. DEWEY. Mr. Speaker, will the gentleman yield?

Mr. RICH. You are going to put this in the hands of the President. He has not done anything about the high cost of the labor situation for the last 2 years. Does anyone think he is going to do anything about it now? I do not. I yield to the gentleman from Illinois.

Mr. DEWEY. I wish to correct one statement. The gentleman said 15 percent increase would be from January 1. That would be from January 1, 1941.

Mr. RICH. Yes. I am glad to have that correction. With this section 4 in the bill they may make all of these increases and no doubt they should, but what they have to do is to stop these fellows getting \$1 and \$1.50 an hour, and these racketeer labor unions from demanding these high prices, and then striking for still higher wages.

I think the Congress should appoint a committee to regulate these prices and assume the responsibility and not pass the buck to the President. I am tired of rubber stamping everything to the Chief Executive; the country does not want it. So let us appoint our own committee to handle inflation and let us do it in this bill. Let us regulate profits, and labor, and agriculture—everything that will hold inflation on an even keel.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. SABATH. Mr. Speaker, the gentleman from Pennsylvania [Mr. RICH] tries to make people believe that all Government contracts are being let under the so-called cost-plus basis. Such is not the fact, and he should know it; if he does not know it he is so informed right now.

My friend and colleague from Indiana [Mr. HALLECK] stressed that the feeders will be obliged to go out of business, because they will not make sufficient profit. Other gentlemen who have addressed the House today fear that the farmer is not going to make the profit to which he is entitled, because the price of farm labor has increased. That is because farm boys have gone to the cities; and I admit that some of them have really been drafted for the war. There is something that gentlemen of the House have failed to realize or to recognize, namely, that we are at serious war, confronting real dangers, and that we should stop talking about profits and selfish advantages and think only of and work for the good of the country.

We must sacrifice wholeheartedly in the interest of our country, which we love so much, as the greatest country in the world, where we have a free, enlightened, and independent people under the best form of government yet devised by man. In view of that, I hope gentlemen in the future will take into consideration we have a plain duty to perform for our country. Let us forget about all kinds of profits and shun all special and undue advantages and prove ourselves worthy of our great citizenship and privileges by a befitting conduct in a time of our country's danger and need.

The SPEAKER. The time of the gentleman from Illinois has expired. All time has expired. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7565, to amend the emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7565, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. STEAGALL. Mr. Chairman, I take it for granted that we of this body are all in accord with the view that all necessary and legitimate steps should be undertaken to prevent inflation in the United States. Speaking for myself that is my attitude, and that attitude has been disclosed time and time again throughout the period of my service as a Member of the House and as a member of the Banking and Currency Committee of the House. In this connection I call attention to the fact that during the first session of the Congress after I became chairman of the Committee on Banking and Currency of the House, that committee, after prolonged and diligent studies, reported a bill to stabilize the purchasing power of the dollar. That bill was designed to stabilize values in normal times. That bill directed the use of all of the powers of the Federal Government, the Treasury with all of its operations and the Federal Reserve System with its vast powers, including open market operations. In the House that bill received a vote of approval with only 60 Members voting in the negative. So at this time when the Nation finds itself in the most abnormal economic situation that has ever confronted us, the need for a stabilization of values, is accentuated as never before in all of our history. I do not know of any group, or of any great class of our citizens, who do not subscribe to the view that we should establish all legitimate safeguards that can be imposed by our Government to prevent a period of inflation with all of its harmful developments. In January of this year we passed a bill to accomplish this purpose, and that bill is now law. It is contended that that bill is inadequate, and that further legislation is necessary if those in charge of the administration are to be properly equipped to render the desired service. In response to that view, and to the message of the President of the United States, the Committee on Banking and Currency present to the House today a measure amending and supplementing the original Price Control Act. That leads us to a discussion of the proposed changes and the additional authority that would be conferred under this bill. With only slight exceptions the present act would not be disturbed under

the provisions of the bill now under consideration. This bill attempts to leave the original measure in full force and effect, excepting in certain details to which I shall refer later, and to confer upon the President of the United States certain powers and authority in addition to the powers conferred upon the Price Administrator by the original act.

In the present law certain limitations were imposed upon the power of the Price Administrator in fixing ceilings on prices of farm commodities. In that act there are four specific limitations upon the power of the Price Administrator to fix ceilings. One would not permit the Price Administrator to deal with utility rates. Another would prevent any action on his part in dealing with transportation rates. Another would prevent the Price Administrator from fixing any ceilings on labor. Still another limitation would exempt from his action any regulatory ceilings upon charges made by the press for advertising. There are no exemptions in that bill other than those just stated. I make that statement in view of the fact that we hear statements now and then to the effect that there are other exemptions in the original Price Control Act. There were embodied in that act certain specific limitations—not exemptions, but limitations—upon the power of the Price Administrator with respect to farm commodities. One of those provisions has received a great deal of comment and a great deal of criticism. I might confess, if it will give any satisfaction to anybody, that I am the chief culprit in that connection. But let me say this: I do not know of anybody who will make the statement that the farmers of the country should not receive prices for their products as high as the price based upon the parity concept which is written into existing law and with which I am sure all of us are familiar. Much criticism has been directed against the 110-percent parity price limitation upon the power of the Price Administrator in the original bill. That provision, designed to assure the farmers of the country a price equal to 109 percent parity, as defined in the law. In order that that may be understood, if anybody does not at this time understand the matter, a moment's reflection will convince anyone that if a limitation simply provides that a price may not be fixed at less than the parity price, in practical operation it would be impossible to maintain a parity price. If you fix a price at parity, all operations in the market, all speculation, if any, all transactions would have to be based upon recognition of that limit. So that many operations would be below parity and we could not sustain a parity price with such a limitation.

Much has been said that would leave the impression upon people who do not understand the situation that that provision in the law guaranteed 110 percent parity price to the farmers of the country. Nothing is farther from the fact and such was not intended or expected. Under the present bill we provide a new formula for the establishment of ceilings on farm commodities and we confer power, not upon the Price Administrator

or anyone who might become Price Administrator, but we confer authority upon the President of the United States, and it is authority separate and apart from the powers conferred under existing law upon the present Price Administrator.

In this bill we provide that no ceilings shall be established that will not reflect 100 percent parity price to the producer. There is quite a difference between establishing a price ceiling at 100 percent and a ceiling that will reflect 100 percent parity price to the producer. So, the provisions of the present act and the bill under consideration differ in that respect, but the main purpose in this measure, as in the original act, is to make sure that the farmers of the country would not have the Government lower their prices below parity. There is no guarantee, of course. There is no floor at parity, the purpose simply being that the Government shall not arbitrarily fix a ceiling that will not permit the farmer to receive parity for his products. That is the provision of the present bill and it was substantially the purpose of the original bill, which is now the law.

We have included in this bill still another limitation which provides that no ceiling may be established on any agricultural commodity below the highest price received by farmers between January 1, and September 15, 1942. In addition, of course, this bill, as did the original bill, attempts to safeguard the purpose in this connection by a provision which would prevent a ceiling upon finished or processed articles, processed from agricultural commodities, which would indirectly beat down the price below parity.

Those are the provisions in this bill, and such is the relation between the provisions of this bill and existing law with respect to farm commodities.

There is another provision in this bill to which I wish to call attention and which I think is of most stupendous importance, and without which we could not maintain equitable price levels or anything approaching fair prices for any class of farmers. We have provided in this bill that loans on agricultural commodities and purchases and other operations in connection with farm commodities, not only as applied to basic commodities but as to all commodities where the Department of Agriculture has sought to bring about increased production, shall be made on a basis of 90 percent of parity. We provide in that section that those loans shall be extended for a period of 3 years following the termination of the war. This would put a floor under farm prices after the war. It will be remembered by all that we had an inflationary rise in prices during the first World War. Farm prices then went to twice what they are now.

After the war practically everything stayed high except the price of farm commodities. They dropped at a rate never before equaled in history. Take, for instance, the case of wheat. The high point reached by wheat during the last war was \$2.50 a bushel. It went down to 30 or 40 cents. Cotton went above 40 cents, even as high as 42 cents,

but during the time following the termination of the war it dropped to 5 cents. Farmers also found themselves burdened by debts contracted on the price levels prevailing during the period of inflation. Prices of everything fell except on what the farmer had to buy. The result was an economic collapse that destroyed the solvency of the Federal Land Bank System. It brought on thousands of bank failures and resulted finally in the closing of every bank in the United States. Then followed a period of suffering and distress unparalleled in the Nation's history, with hunger, nakedness, bread lines, millions of unemployed, and Government relief—all this in the midst of unprecedented production of all the necessities of life. We are undertaking in this bill to safeguard the people of the United States against a repetition of that horrible experience which must forever discredit the leadership of that time and those whose duty and responsibility it was to have dealt constructively and intelligently with that situation. We hope by this legislation to benefit by that horrible and unhappy experience.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield myself 3 additional minutes.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. CUNNINGHAM. I was much interested in the gentleman's statement to the effect that wheat dropped from \$2.50 a bushel to as low as 39 and 40 cents. I concur in that statement, and will state further that the same thing happened proportionately with the price of corn. Does the gentleman believe that much of that rise and subsequent drop was due to speculation on the board of trade?

Mr. STEAGALL. Yes; to some extent; but speculation could not do that if the provisions of this bill are written in the law.

Mr. CUNNINGHAM. My question, then, is this: The bill providing 90-percent parity loans leaves 10 percent for speculation on the board of trade?

Mr. STEAGALL. If people want to be so ill-advised as to speculate on that margin, the answer is "yes."

Mr. CUNNINGHAM. Would not speculation on the grain market be done away with by making the floor parity as well as the ceiling? Would not that take away the gambler's profit?

Mr. STEAGALL. That might be the case, or it might not; it depends on the kind of speculation there is. You can run the market up as well as down, though not so easily sometimes.

Mr. CUNNINGHAM. Not if the floor price was parity and the ceiling price was parity.

Mr. STEAGALL. They could run it up to meet the parity price.

Mr. CUNNINGHAM. People would not be that foolish.

Mr. STEAGALL. They would speculate within whatever limits they found.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. TARVER. I am interested in the gentleman's construction of that portion of section 2 which directs that the Pres-

ident may suspend any provisions of law relating to the establishment of prices.

Mr. STEAGALL. If the gentleman will allow me to interrupt him I think I can clear the matter up in a minute.

Mr. TARVER. Certainly, the gentleman cannot understand what I want to have cleared up until I complete my statement.

Mr. STEAGALL. I shall be happy to have the gentleman proceed.

Mr. TARVER. That language appearing in section 2 provides that the President may suspend any provision of law relative to the establishment of prices, and so forth. Does that, in the gentleman's opinion, include suspending any of the provisions of this bill should it be enacted into law?

Mr. STEAGALL. That is what I had anticipated was in the gentleman's mind. I interrupted merely in the hope of saving time.

I may say to the gentleman from Georgia that that language appears in the bill through clerical error in the final drafting of the legislation. It was not intended to be in the bill and is expected to go out by consent of the committee, and I shall make a request to that effect when we get to the consideration of the bill for amendment.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield for a question?

Mr. STEAGALL. I yield to the gentleman from Montana.

Mr. O'CONNOR. Would the gentleman say that the President has the power under the general clause of correcting gross inequities to provide in the parity formula for the adjustment in connection with farm prices due to labor costs?

Mr. STEAGALL. There would be some question about that. The language of this bill attempts to deal with this matter on the basis of parity.

Mr. O'CONNOR. Was that language intended to give the President that power?

Mr. STEAGALL. There was a difference of view in the committee as to whether we should include the cost of labor. It was not the intention of the committee that that should be incorporated. But the President could give any matter weight that might seem desirable, since he would not have to fix ceilings until price levels reach a point that in his judgment made it necessary to do so.

Mr. O'CONNOR. I saw something in the newspapers to that effect.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is it not true, as suggested by the gentleman from Montana, that if it develops the price of farm labor is so high it would result in a gross inequity, there is nothing in this bill that would prohibit the President, in addition to the parity price, giving consideration to the ceiling and providing for that difference?

Mr. STEAGALL. The President, in dealing with the gross inequity as such, would have the power to fix his ceiling accordingly. He cannot fix the ceiling at less than the standard, but as to specific legislative intent that the Presi-

dent shall consider the cost of labor in connection with farm parity, that is not in the bill. Farm labor is not included in the calculation of parity in the 1909-14 base. That basis was established upon certain designated articles of costs on the part of the farmer. There are many articles, although I do not have the exact number.

Mr. WHITTINGTON. Eighty-five.

Mr. STEAGALL. Whatever it is, I believe there are more than that number. Then certain expenses of the farmer—such as taxes, interest, commodities—but the cost of labor was not included. I may say to my good friend from Massachusetts that the formula was not based on wheat and oats alone.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield myself 2 additional minutes.

Mr. RAMSPECK. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Georgia.

Mr. RAMSPECK. May I ask the gentleman whether or not the committee gave any consideration to the question of whether sections 4 and 5 give the President the right to fix the salaries of people working for the Government?

Mr. STEAGALL. Oh, that was never intended, of course.

Mr. GORE. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Tennessee.

Mr. GORE. The gentleman very clearly explained, in my opinion, that the President would have to make a finding of gross inequity to apply a ceiling or to raise the ceiling above the level prescribed. The levels set out are minimum levels below which he cannot go. He would have to make no finding of gross inequity to place a ceiling at, for instance, 200 percent of parity?

Mr. STEAGALL. There is no limit as to how high he may go, but he cannot go less than the limits prescribed.

Mr. CRAWFORD. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I want to understand the chairman. Does the chairman say that the President can raise farm prices to 200 percent of parity if he decides to do so?

Mr. STEAGALL. The President cannot raise farm prices at all. There is not a thing here that raises or supports prices except loans. The President is not required under this bill to set ceilings. He is prevented from establishing ceilings at less than such prices as will reflect parity prices to producers. He does not have to do that. He can wait until prices get higher. There is no provision for raising prices.

Mr. CRAWFORD. The parity price is now determined.

[Here the gavel fell.]

[Mr. WOLCOTT addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WILLIAMS. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. Brown].

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, when we passed the bill to prevent inflation some time ago it passed almost unanimously. It was accepted by the country at large; it was approved by the President; it was approved by the Administrator; it was recognized as the best the Congress could do to satisfy the majority, and the great majority, of the people. The purpose of the bill then, the purpose of the bill now, is to control inflation. It is not a consumers' bill; it is not the purpose to help the farmers, to help labor, or to help consumers, but the purpose is to control inflation. I say this because it was sent to the Committee on Banking and Currency which committee would not have had jurisdiction of it had it not been for the purpose of controlling inflation.

I take the stand that you cannot improve on the bill that we passed. If I support the bill now under consideration it first will have to be amended. The President complains of the fact that farm commodities are too high or liable to become too high under present law. He states that he has a right to fix wages but Congress must fix the price of farm commodities. I join with the gentleman from Michigan [Mr. Wolcott] who has just left the floor: If ceilings had been placed according to the formulas for agricultural prices contained in that first anti-inflation bill we would not today be called upon to pass another bill. I do not like to be called upon to reverse myself when I give any proposition matured consideration, and I think all the Members feel the same way. That is what we are asked to do; in other words, certain people are trying to make the country believe that the farmer is at the bottom of all of it. It takes 70 percent of the price of farm products to get the raw products from the producer to the consumer. Let me say here and now that the farmer and the consumer are being made the goats. Bring in and regulate the crowd that receives this large 70 percent; when you have nerve enough to do this you will probably prevent inflation.

The farmer has always sold in a free market. He has been discriminated against not only in the marketing field but in the transportation field in the inflow and outflow of his products. The world markets today are closed to the American farmer on account of the war and the naval blockade. We want to win this war. We can win this war not by manpower alone; we must have the implements of war to win, but, Mr. Chairman, it is just as necessary to have food, and clothing as it is to have the implements. This attitude is all wrong which goes on the theory that all that is necessary to win the war is to have implements of war. Mr. Chairman, if we are to achieve victory it is just as necessary to have foods and fibers. You must pay a fair price for the farmers' products. Not in this land can you set a ceiling on the labor on the farms; it is impossible because the only way you can help the laborer on the farm is to give a fair price

to the producer for his commodity; that is the only way it can be regulated. I want the country at large to know that we are asking the farmer to produce at a much lower wage rate than any other class. The idea of the 10 percent of the national income the farmers receive controlling inflation or even making a dent in the control is preposterous to me and to everybody else; that is all there is to it. This administration itself has recognized that the farmer was not getting a fair price, for it paid subsidies, and is paying subsidies today. What better evidence do we want than has been written on the statute books by the very Members of this House now sitting in this Chamber which recognized that the farmer was not receiving a fair price and gave him money out of the Treasury of the United States, paid him subsidies through many agencies?

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. Certainly.

Mr. TARVER. I am wondering if the gentleman's committee had hearings to determine to what extent agricultural prices may be attributable to any inflationary trend that may be under way? To what extent did the gentleman's committee hold hearings?

Mr. BROWN of Georgia. We did not have any hearings at all; we received statements from two or three farm organizations and five or six people connected with the administration.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield at that point?

Mr. BROWN of Georgia. I yield.

Mr. CRAWFORD. I know the gentleman wants to be correct. We did not receive a single statement on the bill submitted, did we?

Mr. BROWN of Georgia. We did not.

Mr. CRAWFORD. The statements were submitted on the bill introduced by Chairman STEAGALL.

Mr. BROWN of Georgia. The gentleman is correct.

Mr. CRAWFORD. Which was stigmatized by certain opponents and praised by certain supporters; but this bill comes here without any stigmatization or support from the outside country, does it?

Mr. BROWN of Georgia. The gentleman is absolutely correct, and I would support today the Steagall bill. I understood from the message, and 95 percent of the Members of this House understood from the message, that the President himself wanted to give fair play to the farmers of the country and to calculate the cost of labor in the farmer's cost of production; that is, labor cost on the farm should be one of the elements to go into parity. I want to be fair to the President; and HENRY STEAGALL, chairman of our committee, so wrote the bill, to contain this idea suggested by the President as plainly as could be. I understand that afterwards the President said he did not mean it in that sense. I have no criticism, but I do know that the idea contained in the message was received wholeheartedly by the American farmer as well as the American consumer, because many consumers in the large cities of this country know something about farming; maybe they were reared on a

farm themselves, and they know the hardships the farmers endure, and they were not opposed to helping the people on the farm who have barely been making a living for the last 20 years. Practically none of their products have approached parity until just a few months ago when war was declared.

Mr. DIRKSEN. Will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Illinois.

Mr. DIRKSEN. On the price control bill, in response to the gentleman's own question, recorded on page 1503, Mr. Tolley, who is head of the Bureau of Agricultural Economics, said: "We recommend that farm wages be included in the parity index."

Mr. BROWN of Georgia. I thank the gentleman for his contribution.

Mr. Chairman, I think the consumer of the city wants to be fair to the fellow who produces the food to eat and the clothing to wear. There has been much said, and the other side has been built up much, until I am glad of this opportunity to address you on this bill.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I do not quite understand the gentleman. Does the gentleman say that the Steagall bill was drawn especially to meet the President's request, that the gentleman understands it to have been drawn with that in mind?

Mr. BROWN of Georgia. The gentleman from Alabama [Mr. STEAGALL], drew his own bill. After he read the message of the President he thought and I thought it carried out all the ideas embraced in the message.

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. JENKINS of Ohio. I would like to develop that a little further. Do I understand that if the Steagall bill were before us the gentleman would support it?

Mr. BROWN of Georgia. I would support the bill first introduced by the gentleman from Alabama [Mr. STEAGALL], but I see no reason for asking for another bill. I think the present law is the best thing we are going to get and give equality to the producer.

Mr. JENKINS of Ohio. I quite agree with the gentleman. That is what I am trying to bring out.

Mr. BROWN of Georgia. I will support this bill if an amendment is adopted to calculate the labor costs to the farmer in computing parity.

Mr. CRAWFORD. So that the record will be absolutely clear to those who are not members of the committee, the Steagall bill that was introduced on September 14 was H. R. 7547 on which the committee deliberated and received written statements from people for and against through Wednesday and Thursday of last week.

Mr. BROWN of Georgia. That is true.

Mr. CRAWFORD. Then on Friday afternoon, to be exact, H. R. 7565, now before the House, was submitted to the

committee by certain members of the committee as a substitute for H. R. 7547. So we are now considering the substitute bill on which there was no kind of hearing and no written or oral reports received?

Mr. BROWN of Georgia. That is correct.

Mr. Chairman, it is my opinion that the most satisfactory bill that can be passed to curb inflation is one carrying more than one formula for the farmer. In considering the first bill, which was enacted into law, we found that parity perhaps would not help raise some farmers' products up to the present prices that other farmers were receiving for their products. In other words, the prevailing price as of October 1 was one formula, the prevailing price as of December 1 was another formula that would help different classes of farmers. The 110 percent of parity would help other farmers. Then there was the formula covering the average price between 1919-29, the 10-year period of free farm economy, 1 year after the war and the year just before we began to legislate in behalf of farmers. That was another formula. The average price formula was one that not a single witness for the Government or anybody else stated was inflationary or unfair. On the contrary, all of them said it was reasonable and I say today it is the best formula we have had. I think it is a shame to give it up now. I certainly will not yield unless we can get the labor costs placed in parity.

I agree with the President that the 110 percent of parity from the psychological standpoint looks as if we are benefiting one particular class more than another, but when the situation is thoroughly analyzed by the man who knows the agricultural situation, especially in my section of the country where we raise cotton, an entirely different view will be gained. In my section, for 6 months of the year cotton may approach only 85 percent of parity. So in the next 6 months cotton would have to be an average of 115 percent of parity in order to attain parity the year around. That is the basis that is equitable and when people know it they will realize it is fair. That is the truth and it is not unfair.

By these four formulae we undertook to give equality to the agricultural producers, we planned to equalize the products of one producer with the products of another producer. What does this bill do? It sets the highest price between January 1 and September 15, 1942. What does it catch? It catches some of the agricultural products at 133, others at 128, and these particular commodities are those dealing with meats, which the consumers and the President are complaining about. So you leave the other farmers at parity or below parity and the very thing that the President is complaining of this bill permits of the highest prices for this class of food and permits inequalities to the other farm producers.

Coming back to my theory, in order to attain justice for all alike, so far as agricultural producers are concerned, you have to have more than one formula to give equality and equity to all farmers. You cannot escape that conclusion. Yes;

the President said that the psychology of 110 percent for any group is not good. I think myself the psychology is not good. But we were called upon to give a 15-percent raise to labor on the 1st of January 1941. Is that good psychology? It is at present receiving the highest prices in the history of this Nation. I want labor to have good prices, but at the same time I want the fellow who produces something to eat and something to wear to have a fair price also. I say today that if this bill passes labor will leave the farms. In my section of the country today practically all of the able-bodied men are working in factories to produce war materials or else going to the front lines to defend our country.

There are left behind to gather this crop old men and old women, and young children are brought from the schools and the schools are closed today in order that the crops may be harvested. How are you going to get labor back? The farmer, in view of the price of his products, cannot get labor back. If he pays too much for his labor he goes in debt and has to mortgage or sell his farm. It simply means that you must give equality. You must increase the price of his product in order to get food and clothing to carry on this war and to maintain the civilians at home.

I was reared on a farm. I know farming. I know the hardship of farming. I know the cotton farmer as well as any man. I know the grain man. It makes me sick to have the people of the large cities of my country talking all the time about the high prices of the producer, when it affects less than 10 percent of the national income, and to have them putting all their sins at the farmer's door. Then they call upon him to get enough food for them and their children and to feed the Army and Navy, while we must pay higher wages than the farm products would stand to get the employment necessary if we are to win this war.

Mr. Chairman, do not let them mislead you about the effects of this bill. I do not mean that any Member of Congress would. You are going to have more inequalities if this bill is passed than you had in the other. You are going to have dissatisfied agricultural producers in this country. It means more today to maintain our people and to help win this war than ever before. You must encourage these people. You have to make them feel that they are getting fair treatment at your hands and that you are with them.

The parity of labor in May was 311 percent. Pay a good price for labor in industry, pay a good price to the boys who are making implements of war, but at the same time remember that it is just as necessary, in order to get food and clothing, to pay a fair price to those people who are producing the things absolutely necessary to win this war.

The other day I received a letter in which a man told me that he had to pay \$1.50 per hundred pounds to have his cotton picked. This means that he has to pay \$20 or \$25 per bale for picking a bale of cotton, and that is not one-fiftieth of the labor contained in it. He cannot do it. The farmer of my country cannot pay

it because his product does not bring enough.

I was told the other day by a Member of the House that some gentleman returning from California said that the wages of dairymen there had increased from \$90 to \$200 per month. The farmer cannot pay it. Still, you are requiring in this bill that cotton and dairy products stay at the same level, while wages at the same time go up and up and up. You cannot win this war by such inequalities.

Inflation has been defined as an increase of purchasing power at a more rapid rate than productive power, so no commodity can cause inflation as long as there is a surplus of the commodity.

All of us are against uncontrolled inflation, but at the same time we realize as long as we are spending forty and fifty billion dollars a year for our war effort there certainly will be some inflation.

We are asking the farmers to produce more and to do it with less—less machinery, with higher cost supplies, and with less labor.

This bill is unjust both to the consumer and to the farmer. It will not control inflation, the cost of living is going to go on up despite this bill because it does not provide an effective over-all control of all of the factors responsible for inflation.

The consumer is being fooled into believing that this legislation is going to stop the rise in the cost of living. This bill will not stop inflation because there are too many loopholes in the controls of wages which constitute about 70 percent of the total cost of living, wages and salaries.

The following is quoted from the testimony of Mr. Davis, Chairman of the War Labor Board, before the Senate Committee on Banking and Currency on September 16, 1942:

We are going to have a very much greater purchasing power than we have consumer goods. Now, if we are going to have to pay out \$120,000,000,000 and we have got only \$60,000,000,000 worth of consumer goods, you have got a \$60,000,000,000 gap.

Under this bill wage increases are going to be permitted up to 15 percent above the wage level of January 1, 1941. This means that wages of a large number of workers can be increased under this formula and if these wages are increased it is going to raise the cost of goods, it will also increase the pressure of consumer purchasing power, also an inadequate supply of consumer goods. This will in turn force increases in price ceilings, which in turn will increase the cost of living.

This bill is a rank injustice to American farmers. It permits a 15-percent increase in all wages above January 1, 1941, to offset the increases in the cost of living since that date.

Such a proposal is unjust to the farmers of this country. Farm prices on January 1, 1941, were far below the level of industrial wages—they were greatly out of balance. Furthermore, industrial wages have gone up more since that date than the retail cost of food, so that the worker today is spending less of his income for food than he was on January 1, 1941, or any time during the past 30

years. Today the average workingman is spending only approximately 22 percent of his earnings for food which is the lowest percentage on record.

Suppose farmers were to ask for a floor under farm prices at the same relative level as the floors that are being proposed in this legislation for industrial labor. Suppose the farmer were to be given a floor of 40 cents an hour for his labor, and time and a half for overtime above a 40-hour week. What would that mean? It would mean that the consumer would have to pay far more for agricultural commodities than the farmers are seeking today. If farm prices were to be supported at this basis the prices paid index would have to be raised to 242 instead of 152 in July 1942, and the parity price of cotton would have to be increased to 30 cents per pound, corn to \$1.55 per bushel, wheat to \$2.14 per bushel, hogs to \$17.59 per hundredweight, cattle to \$13.12 per hundredweight, eggs at 50.5 cents per dozen, and butter to 60.5 cents per pound.

Farmers have not asked for these prices; all they have asked is that farm prices not be depressed below parity price adjusted to include all increased farm labor costs. If this were done the prices paid index would be increased from 152 to approximately 171, and parity prices on July 1942 would have to be increased as follows:

Cotton from 18.85 cents per pound to 21.20.

Corn from 97.6 cents per bushel to 109.8.

Wheat from 134.4 cents per bushel to 151.2.

Hogs from \$11.05 per hundredweight to \$12.43.

Cattle from \$8.24 per hundredweight to \$9.27.

Lambs from \$8.94 per hundredweight to \$10.05.

Wool from 27.8 cents per pound to 31.3.

Chickens from 17.3 cents per pound to 19.5.

Much has been said about not freezing industrial wages. Even those who are clamoring the loudest for putting ceilings on farm prices vigorously insist that we must not put a ceiling on all wages but we must allow substandard wages to be adjusted upward to the level of all industrial wages. But these same people bitterly oppose the adjustment upward of substandard farm prices to an equitable level with other prices and wages. That is really all that is involved in the minimum ceilings provision for farm products in the present price control act. They were put in there to permit substandard farm prices to rise to parity or equitable levels with other prices and then to be stabilized.

The fact is, as I have said before, the provisions of section 3 of the Emergency Price Control Act have been grossly misrepresented. They are not inflationary unless wages are left uncontrolled. Of course, if wages are not controlled, then rising wages will cause a rise in industrial prices and whenever the prices of things farmers buy go up the parity index for farm products goes up. But the thing the public does not understand

is that the parity index can only go up because of increases in industrial prices. This index is a ratio of the average farm prices in 1910-14 in relation to the current index of prices of commodities bought by farmers. The farm price portion of the index always remains the same. Consequently, the ratio goes up only insofar as the index of things farmers buy goes up.

The injustice of these attacks upon the agricultural minimum ceilings provisions of the Emergency Price Control Act is shown by the fact that even if the prices of all farm products which are below the minimum ceilings specified in that act were to be increased to the highest of these minimum ceilings the effect on the cost of these to city workers would be inconsequential. It would amount to a maximum increase of only 7 percent in the index of retail food costs which in turn would require an increase of only 2½ percent in the average worker's cost-of-living index. If cotton and wool are included the total over-all increase in the cost of living to the average workingman would amount to only 3½ percent if all farm prices which are below these minimum ceilings were to be increased to the highest of these ceilings. By no stretch of the imagination can this be called an orgy of inflation.

The facts are that rising wages are far more important in causing inflation than rising farm prices. In 1942 nonagricultural salaries and wages are estimated to average about \$33,000,000,000 more than the average received during 1935-39, whereas net farm income in 1942 will probably average only about four and one-half billion dollars more.

Farm prices in July 1942 were only 54 percent above the 1909-14 level and were far below the highest point reached in the World War No. 1 period, but the average hourly earnings of factory workers stood at 397.1 percent of the 1910-14 level in June 1942 compared to the peak of 278.7 in the World War No. 1 period. Thus, the hourly earnings of factory workers today are far above the highest levels reached in World War No. 1 and are the highest in the history of the Nation, whereas farm prices are still far below the peak of World War No. 1.

In the President's message to Congress on Labor Day he stated that food costs have been rising at the rate of 1¼ percent per month since May 1942, and if this rate should continue for another 12 months it would result in a 15-percent increase in food costs. This statement, however, overlooks the fact that if the Price Administrator used the powers he already possesses under section 3 of the Price Control Act, the maximum increase in the retail cost of food which could take place if all farm prices which are below the minimum ceiling levels were to be increased to those levels, would be 7 percent, as I have already pointed out. If the Administrator does not use his powers, then the fault lies with him and not with the act. It is unfair to charge farmers and farm prices with the blame for inflation, if inflation occurs.

In the President's message he warned of a prospective 15-percent increase in food costs, saying:

This drastic increase has been caused, and will be caused, chiefly by the fact that a number of food commodities are exempt under existing law.

The fact is no agricultural commodities are exempted under the Emergency Price Control Act. The Price Administrator has the authority to impose price ceiling at or above the ceiling levels specified in this act.

The President referred frequently to uncontrolled food prices. It should be clearly understood that if there are any food prices that are not controlled it is due to either the failure of the Administrator to impose ceilings or to the failure of farm prices to reach the minimum ceiling levels specified in the act. A tabulation of a list of 144 agricultural items on which parity prices have been computed by the United States Department of Agriculture on August 15, 1942, shows that 72 of these items, or exactly one-half of the total, are still below parity. Furthermore, out of the list of 20 farm commodities which the President specifically mentioned in his message as being "uncontrolled agricultural commodities" 15 of the 20 were below parity on August 15, 1942.

Farmers are insisting upon the principle of equality of sacrifice, but thus far they are being asked to make the sacrifices while industry will make the enormous profits out of the war. The farmer is not working for 40 hours a week. He is not getting or asking for this or for time and a half and double time for overtime. He is ready to continue to toil and sweat not 40 hours a week, but 60 and 70 hours a week to do his utmost to produce the maximum output of food and fiber to win the war. He is about the only group in the Nation which has not come short too little and too late. Today the American farmers have produced the greatest volume of food and fiber in the history of the Nation. They have done this despite an acute shortage of farm labor, a skyrocketing farm-labor cost, shortage of machinery, fertilizer, and other materials, and increasing costs of articles bought by farmers. The farmer wants to continue to produce the maximum output needed for the war effort, but he cannot do the impossible.

There is grave danger of an acute shortage of food next year unless this bill is modified to protect the production of food and fiber. Unless the farmers can be assured that price ceilings are not going to be fixed so low that they cannot get their costs of production and unless something is done to relieve the acute shortage of farm labor, it will be impossible for farmers to produce enough food and fiber so vitally needed for the war. It will not be the farmer who will suffer the most from such a terrible catastrophe. It will be the workers and consumers who will suffer from a food shortage, and the country needs to wake up and realize that such a shortage is going to happen unless this bill is modified and unless the Price Administrator changes his policies and attitude toward agriculture.

To offset this injustice and to prevent such a calamity it is imperative that farmers be assured that price ceilings are

not going to be placed below levels necessary to enable them to produce an adequate supply of food and fiber for the winning of the war. To this end farmers are asking that no price ceiling be placed below parity prices adjusted to include all farm-labor costs. These labor costs must include not only hired labor but also the labor of the farm operator and family labor, because most of the farmer's labor is the labor of the farm operator and his family. The great majority of farmers do not depend principally upon hired labor to produce their crops. It would be a rank injustice to small farmers and to farmers who operate their own farms, as well as to tenants and sharecroppers, to provide an adjustment for hired labor only. If hired labor only is included in the parity index at prevailing wage rates for farm labor, it would raise the prices-paid index from 152 in July to 159, which would mean an average increase of only 4.6 in the parity price goal, whereas if all farm labor, including the operator and family labor, is included, it would raise the prices-paid index to 171.1, which would provide an average adjustment of about 12½ percent.

In addition, if we are going to repeal the 110-percent-of-parity provision and the other safeguards in section 3 of the Price Control Act, then it is imperative to provide a floor under farm prices which will continue for a reasonable period after the war ends.

I hope that this bill will be amended so I can support it.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

(Mr. GIFFORD asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. GIFFORD. Mr. Chairman, the responsibility upon every Member of the House today is very great and perhaps painful. If you vote for this bill, you are a rubber stamp. You will be blamed by one class of people for being a rubber stamp and allowing the legislative body to be dictated to by the Executive. The Supreme Court—the third branch of our Government—having already been taken over, the public will be ever watchful as to what may happen to the legislative body. Certainly acceptance of appointment to that Court now carries the implication of sympathetic interpretation of the wishes of the Executive. Another class of people demand that we do be rubber stamps, and that we jump through the hoop today. I am ready to jump through the hoop, but I have something to say about the necessity of the proceeding.

I have here a great number of clippings from editors and commentators who should seemingly reflect public opinion. If they do not, it should be most surprising. Perhaps a speech such as the gentleman from Georgia just made in behalf of the farmers would be really effective in Georgia, but the New York Times, the New York Herald Tribune, and all those other papers criticize the farmers most unmercifully.

Now comes your President, who has bestowed his affection both on labor and agriculture. When we attempt to bestow affection equally, both become jealous and dangerous. Certainly the President has courted them both assiduously. But now the time has come when I see the love and affection ebbing away from him today, especially on the majority side of the House. You are being roundly spanked. You have my sincere sympathy. He is your President. You must restrain yourselves. He is mine also, but I did not choose him. He is my President because I could not help it. You selected him for me; but he is now my President, and I have been trying to support him in his war policies and efforts. I shall support him today, but, being one of the minority, free speech is accorded to me.

I have been reading and rereading his message. It is extremely interesting. I wish he could have stopped his condemnation with his message, but he "fre-sided" us again in the evening. He desired to awaken a public to add to and support him in this condemnation. How shrewd the attempt to cover the failure of his own administration to act by the attempt to place the blame on the Congress.

He was not content to send us a message, but he desired to arouse the public against us. Has he succeeded? He has spoken of the psychological effect of the unfair privileges which the farmers have in the original price-control bill. I can read between the lines where he seems to say, "How can I talk to labor as long as you farmers have this 110 percent of parity?"

He declares that he requested us, on April 27, to change that percentage, but that we have ignored his request. Why should we have changed it? Mr. Henderson came before our committee with an administration bill in December. He agreed to accept the 110-percent-parity provision if we would write no provision as to wages. After he obtained what he then wanted, he waited until April and then rather gently suggested that we do nothing about wages, but to change that 110 percent of parity which seemed to annoy him. Because the farmers had made a trade with him fairly and squarely it was thought best not to change so quickly. Mr. Henderson made a deliberate statement that he could stabilize on a 110-percent basis as well as on a 100-percent basis. However he has not even attempted to stabilize many food products although he has had full authority. Why has Henderson withheld his power? He has evidently wanted these prices to soar in order that an outraged public would be led to believe that he could not do it at 110 percent. These writers in supporting the President now excoriate the farmers. "Goodbye, Mr. President," now say the farmers, "we will express ourselves in November." It is a sorry mess we now find ourselves. This day we will have to choose. Are the people with the President? According to these statements they are. Do not blame the minority. You have a real majority. You are to be held responsible.

I will not allow it to be said in my section that I did not support the President in his war effort. He has tried this price-control matter with effort. Let us return to his message. As we read it, these immortal lines naturally rush to our minds, "Upon what meat does this our Caesar feed?" We are informed that Mr. Harry Hopkins is one of those who feed him.

I think he would put the crown upon his head if he followed his own desires. But the President seemingly has demurred. He states that he believes in the democratic processes and will first give the Congress another chance. But if we do not do act "adequately" by October 1, then he will act. Of course there is no crown to be worn. I will take back the facetious reference if you do not like it. But he will assert the power, the scepter will be in evidence. Do not be too much worried about this particular bill. It does not matter whether you vote for this bill or any bill. The President says that he has the power and will act and believes the people will applaud such action. What is more important to me is that he used the word "adequate," so that if we do not give him exactly what he thinks he needs or wants he will ignore our action entirely.

The gentleman from Michigan [Mr. Wolcott] said we had given him all he had asked for. We had. Perhaps, we ought to assert ourselves and make some expression of policy in this bill, but I am hesitant in inserting any clause that he can use to excuse future failures by putting the blame on us.

Perhaps I have not too much common sense in some people's estimation; but I claim a little, and I have serious doubts about the great powers he claims to have. I presume great lawyers are advising him—he should have the best there are—and they seem to have advised him that he has these vast powers. The first sentence of this bill reads: "In order to aid in the effective prosecution of the war," we now grant him this power. He has tied this price-control power to his war powers by declaring that if we have inflation he will be unable to get tanks and guns and other things necessary to carry on war. What a broad interpretation! No wonder the New York Times in a scathing editorial declares that if he can assume this power, what possible limitation is there now upon his actions.

It is now said that Congress might just as well pack up and go home. Is it possible that in our absence he can tax people as he pleases? Can go into debt as deep as he pleases? We must still assert our right to determine the amount and the method of taxing our people. In his attempt to arouse the people against our declared dilatory action is he contemplating another seizure of taxing power? Will his legal advisers feed him more of that kind of meat? Gentlemen of this legislative body, decide now whether you will yield your prerogatives and your self-respect to the whim and whip of the Executive whose duty is clearly only to carry out the will and intent of the legislative branch. In time of war, we are

glad to delegate power in the name of efficiency, but shall it be forcibly taken from us?

This is an important day in our legislative history. Yield to his particular request or threat as we may choose to call it, but in unmistakable terms in this debate, express a determined attitude toward the Executive. Shall we postpone action until October 2? That would be interesting but childish. We will not do that. Rather will we determine how to act in the future under similar unfortunate circumstances. I think I did read that in another body they will give him this power, but also at the same time order him to act before November 1. That is coming back at him. But is it good policy? In the contemplation of this whole matter I have come to certain conclusions. I am not immediately greatly disturbed over the present amount of inflation. It has been greatly overdrawn to frighten the public into submission.

Supply and demand can be somewhat checked and regulated and we will do it.

However, the farmers cannot find laborers to work their farms, housewives cannot find domestic help. On every side there will be a shortage of help. Wages will of necessity rise and the power of government will not in all cases restrain them. I was not trying to be facetious when I remarked that ordinarily parity is locked upon in this way: That if a bushel of wheat would purchase a shirt from 1909 to 1914, during those years when farmers were prosperous, a bushel of wheat ought to buy a shirt at all other times, especially now. But you are to offer an amendment to the effect that since wheat labor costs are now greater, you therefore should have two shirts. However, the shirt people are ready to declare that it now costs more to make a shirt, and therefore they should have 2 bushels of wheat. Walter Lippmann and others have offered such simple illustrations of parity. Probably it is the way the public understands the parity matter. The President's message indicates that to be his version, as I read his statement. Are you not a little puzzled yourselves as to the real effect of your proposed amendment. My farmers are telegraphing me to vote for such an amendment, and I want to help the farmers. I desire to think clearly, but it is all rather confusing. The very earnestness and heated arguments befog the issue. It is true that the parity formula has been changed to add taxes and insurance in the cost of production, and that will be now used to bolster the argument that increased labor costs be also added. But we must keep in mind the labor costs in the shirt. It is all so annoying. Keep in mind that the President has condemned this amendment, and that he has presided you before the public as a selfish and special class and, as he said, "unpatriotic"? Ought not you farmers to be ashamed of yourselves to so embarrass your President? Can you prove to his public that he is wrong and that you are right? You have my sincere, best wishes.

Do not forget that he is your President. You must be patriotic. You must

sacrifice according to views of your trusted leader. As to the labor problem. I stated in my remarks of a few days ago that it seems perfectly plain that the President intends to follow the Little Steel formula, and then those in industry who have not already got the 15 percent will receive it. I feel sure of this. When this bill operates, we will have created for a while, at least, a very real period of inflation. There seems to be little question about that. The gentleman from Michigan [Mr. Wolcott] agreed with that statement and he expressed the hope that when that 15-percent point is reached it will be curbed. However, before it reaches that point others will have been affected, and will demand increases, and it will be difficult to find a real halting point. Again, we are to provide 90-percent loans on farm products. You will note that in this bill. In other words, if you cannot make the public pay parity prices, then the Government must buy the farm products. The poor old public will bear the burden and the loss. This certainly does put farmers in a favored class. Other citizens are not so protected. Not even the homes of the people. I am a farmer, and I sympathize with them, but when we are loaned 90 percent on our produce we are certainly in a highly favored class. We now stand on this floor and plead that because of the shortage of labor we are to be short of farm produce. Let us recall that you were paid not to plant wheat and not to plant cotton. You now find the chickens come home to roost. It does not now sound well to talk about shortages so deliberately planned for and so highly subsidized.

In passing I desire to call to your attention that your President now desires that these benefit payments and these other payments running from the customs duties should also be figured in when you arrive at your 100-percent parity. More grief to the farmer in these most hectic days.

In reading his message it seems that a change in this parity matter is really all he wants and asks. He did not ask you to do anything about labor. He is not asking you to give him any more powers than he already has. The simple thing he suggests is, "take that 110 and make it 100." He seems to say, "I cannot reason with labor, as long as the farmers are treated as a privileged class." On April 21 he called our attention to seven points. We should buy bonds. He claims to have taken care of that. We should curb installment buying. He claims to have taken care of that. He holds us wholly to blame on two points. We have not passed the tax bill, and we have not amended the price-control bill as to 110 percent of parity. His own administration is most to blame for the delay in the tax legislation. He cannot support that indictment. We are now facing the other issue. Let us give it to him. But that is not the grave issue here today. I see my friend, the great constitutional lawyer from Texas, chairman of the Judiciary Committee, sitting near me. I do not believe this 110 percent parity matter troubles him greatly. But he is probably

staggered over this vaunted assumption of power. He thought he had a real Constitution of the United States handed down to him by his forefathers, in which the legislative branch of the Government should at least determine the course of our domestic affairs.

The President might conduct a war, lead the Army and the Navy, but we are, or were, supposed to tell him whether he may draft men of 18 or 19 years of age, determine many other phases of even the war effort. We surely have to vote him the money. We have done that. Now having the money, does he think that is all that is expected of us? All Governors are supposed to follow the legal advice of their attorney generals. The same with our President. Is he not to be absolved if he simply claims and uses the powers his legal advisers assure him he possesses? With supreme confidence, he now declares, "If Congress does not act adequately, I have an abundance of powers under laws already granted by Congress and under the Constitution of the United States." Contemplate our unhappy fate. The Commander in Chief of the Army and Navy may now reach out and take possession of all law-making powers affecting the life and happiness of our citizens when he may decide any law interferes in the slightest degree with the carrying on of war. This is the issue of this day's proceeding and far transcends the so-called selfish parity question.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. GIFFORD. There is nothing of much great importance in this bill. It makes a declaration granting broad powers, limits but a little, and gives leeway in the matter of gross inequalities. Some of the President's advisers may decide trivial matters as gross inequities if he desires. We must trust them, of course. Some of us hesitate a little, having memories of the past. The words "gross inequities" appear twice. They relate to both labor and prices. There is the section relating to the 90-percent loan. There is little in the bill that needs explanation. Proposed amendments will occupy the time during its passage. Again, a few general observations.

Our people are getting skeptical and uneasy. David Lawrence recently referred to this administration very aptly when he used the words "ineptitude and hypocrisy." Many of us agree with him. We see plenty of it. More and more an idolatrous public is discovering these characteristics. It is claimed that we are to have an income of \$115,000,000,000 in 1943, and that we will have only \$67,000,000,000 worth of goods possible to purchase. We are to have \$45,000,000,000 that our people will not know how to spend. These guesses may prove somewhere near correct. We may well question it. What a chance for our people to pay their debts and invest in bonds. But we must protect our people from themselves lest they bid high for the goods they specially may desire. We will fix prices and ration those goods.

Because of that danger we must have this price control. We must control our citizens in the manner they use their own money. However, this is not the real danger of inflation. Some day the gentleman from Ohio [Mr. SMITH], will be listened to. These days he does not seem to have much of an audience. He fears wildcat money as the inflation monster. I have talked about it so much that I make but little mention of it now. But real inflation is usually brought about by an overdose of printed money, as well as a great surplus of money on hand. We have not arrived at that point yet, but that it is to be feared is as plain as the nose upon your face. We have not had to swallow it yet. You know, the nose is put over the mouth so that you can smell a thing before it goes in. You must be quite sure of what you are eating. Some people can smell a long distance off and I trust they will notify us in time when and if the stench of real inflation reaches them.

If we do not pass this bill in "adequate form we will probably be firesided again." I do not like to be firesided. That microphone really endangers the existence of this legislative body. How the public are stirred as they listen. However, the people can be awakened by a little competition of the same kind. Let us do what we can to renew the confidence of our people in their own representative form of Government. Courageous and prompt action will greatly help in this critical time when such prompt action is needed. Because the President of the United States has such a tremendous responsibility I close pledging strict adherence to his efforts to win this war, but reserving the right to resent unwarranted attacks on that legislative branch of the Government in which I am proud to serve.

Mr. CRAWFORD. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 10 minutes.

[Mr. CRAWFORD addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record and to include certain quotations.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. STEAGALL. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. BARDEN].

(Mr. BARDEN asked and was given permission to revise and extend his own remarks in the Record.)

Mr. BARDEN. Mr. Chairman, I have listened with a great deal of interest to the discussion of this question of parity. It seems to revolve around the question of price of labor and the price of agricultural products. Personally, I am thoroughly conscious, as you gentleman are, that we are in a dangerous war, and I want the farmers to be able to produce; that is what I am concerned about now. They are not concerned about making 15

cents a bushel on potatoes. Their demands have been very, very moderate and reasonable all during their existence. But when I take a ride of 50 or 75 miles through the country and see the cotton patches as white as snow and the cotton falling out on the ground and not a row of that cotton being picked, because they cannot compete with the United States Government labor prices, then I begin to wonder where are we going to get our cotton, where are we going to get the lint for the explosives, where are we going to get the cottonseed oil and the other commodities that we need so much?

I would like to know who it was and what purpose they had in mind when they attempted to blame agriculture for inflation. It is just as sensible and practical to walk up to a man with a foot pump and blame him for starting a hurricane. There never has been any excuse for it and there is no excuse now. Why, I was told a few days ago by Mr. Henderson about the 15-percent rise in canned products. Well, you can take a can of beans which has in the can less than 1 penny's worth of bean, and there is 14 cents worth of labor and can there, but yet that less than 1 penny's worth of beans, the producer of it is to be blamed for the 15-percent rise in the canned goods. It does not make any sense. It is another case of the 4-inch tail wagging the 8-foot dog. It just does not work that way.

I have gone to the trouble to collect some figures, some cold figures, from the Agricultural Department and the State department of agriculture on the cost of production of some of these very commodities. The reason I refer to it is because in reading the President's letter I am a little confused as to what he means. In one statement he says that labor must not be taken into consideration and in the other he indicates that it is. To me labor and the cost of production of agricultural commodities are so inseparably tied together that you simply cannot arrive at even a semi-intelligent price of a farm product without taking into consideration the labor cost.

I want to give you some of the actual figures I have been trying for a couple of years to get and have just recently secured. Here is how they work with tobacco. Few people know that you must start with the tobacco crop in January and usually wind up with the marketing in November or December. Attached to an acre of tobacco is a fixed cost, fertilizer and so forth, of \$71.30. It might also be interesting for you to know that it takes 408.2 man-hours of labor to produce an acre of tobacco, aside from the fact that he must assume the risk of crop failure or droughts, excessive rain, hail, insects, diseases, fire, and so forth. By taking the average weekly wage rate of 25 average industries, who operate 40 hours per week, multiply the number of hours by the hour wage scale, derived from the figures mentioned, the cost will be \$394.32. To this add the \$71.30 fixed cost, makes a total cost of \$465.62 per acre. Using the production of 1,050 pounds per acre, which in my opinion is a little high, tobacco would

have to bring 44.34 cents per pound. The average price in North Carolina, according to the North Carolina Crop Reporting Service, is 37.57 cents per pound, and as best as I could figure from the present ceiling price order, it is fixed at 34.86 cents per pound. The present parity price of tobacco is 27.9 cents per pound. Should we figure the same acre of tobacco at 27.9 cents per pound he would receive \$292.95, from that deduct \$71.30 fixed cost, which would leave \$221.65, from which the farmer must pay his supervising expense, taxes, plus 403.2 hours of labor. From these figures it is not difficult to see just what labor scale they have in mind for the farmer and his family, especially when the farmer is doing mighty good to produce a successful crop as much as 50 percent of the time.

We will take an acre of peanuts which the Government is begging for now. They are needed as a food and the by-products are needed, the oil from the peanuts, and so forth. There is a fixed cost on an acre of peanuts of fertilizer and such purchased commodities of \$16.44. There are 79 man-hours of labor. If you take the 79 man-hours of labor and figure the labor cost on 25 existing industries, just take 25 industries indiscriminately as the agricultural authorities and experiment stations have done, and use as a basis for figuring the production cost, you get a cost of \$76.31, plus \$16.44, which makes a total of \$92.75 for an acre of peanuts. They found that the average yield from an acre of peanuts is 1,280 pounds. Divide this and you get a cost of 7.24 cents per pound. The present price of edible peanuts is 6.8 cents per pound. The present price on oil peanuts is 3½ cents per pound.

The parity price as of August 15, 1942, was 7.30. But you can readily see that under these figures for the oil peanuts he gets half of the cost of production and for the other about a penny less.

Mr. KERR. Mr. Chairman, will the gentleman let me interrupt him there?

Mr. BARDEN. Yes; with pleasure.

Mr. KERR. While the farmer gets 6 and a fraction cents for his peanuts, still the consumer pays for those peanuts more than 15 cents if they are bought for eating purposes. If they are put into the products of peanuts they pay as high as 35 cents a pound for them.

Mr. BARDEN. Why, of course, that is true. Now, let us take an acre of Irish potatoes. There is a fixed cost per acre there of \$96.71. Thirty-two dollars of that is for fertilizer, and I think that is under the price, because potato fertilizer used to go as high as \$35.60. There is a fixed cost, as I say, of \$96.71 per acre for Irish potatoes. There are 46 man-hours of labor. If you figure the average labor cost of 25 industries in the same State, you have a total cost of the fixed cost plus labor of \$141.15. The average yield in 1942 per acre was 105 bushels. If the terms are to be the same as industry, and the price of \$145.15 is divided by 105, you will get \$1.34 per bushel. But the present price of potatoes is only \$1 per bushel. Parity on August 15 was 1.06 and the actual market price was \$1.15. In giving

these figures I am still wondering why all the disturbance over trying to blame agriculture for shaking the foundations of this Government by starting inflation.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. Yes.

Mr. DONDERO. The gentleman's remarks find a sympathetic response from me. I am wondering if every Member of the House understands what we mean by farm labor and what is included in that term. Does it mean the farmer who owns the farm, his wife and boys to help and the hired help that he must employ to harvest the crop? I am wondering how far that term farm labor goes, and I am of opinion that farm labor should be included in the cost of the product.

Mr. BARDEN. I think that an hour of muscle and sweat from the farmer, his wife or child, is worth just as much as it is from any other man or woman, and if he has to put his wife and little children out there to work, is that any reason for this body or any other group of men to brush them aside and say, "We will not notice you, because you cannot speak for yourselves."

Mr. DONDERO. I further ask the gentleman if there is any segment of our population who works harder, who works longer, who sweat more and get less for what they do than the farmer?

Mr. BARDEN. The gentleman is exactly right, and may I say that those who would put him out of business had better remember where they and our fighting forces are getting their food. There has been some talk here about cotton, and we have been talking in generalities. Throwing the term parity around assigning to it many meanings. To me if parity should mean anything, it should mean a fair price, a fair return to the producer, and I do not care how they figure it. If they want to turn it around and use some peculiar type of figures to make it mean something else. I am not in accord with them. I have often heard that figures will not lie, but that sometimes liars will figure. I do not want any deceit about it. I just want a fair system of figures used in dealing with this problem. Take an acre of cotton. There is a fixed cost to an acre of cotton of \$30.45. There are 147.1 hours of man labor in that acre of cotton. If you take the average price paid for labor by 25 industries in the same State where this cotton was produced, and use that scale as a basis for figuring the cost of that labor, you will get \$142.10. Add \$142.10 to the fixed cost of an acre of cotton, and you will have \$172.65. Listen to this. The average yield was 415 pounds. If returns are to be the same as industry, and you use the same figures that I have referred to, cotton would have to bring 42 cents per pound, and it is now bringing 19 cents. Parity as of August 15, 1942, was 18.85.

If anyone wants to know where these figures come from, they are here set out, and the sources indicated.

As to the number of hours required to produce 1 acre of cotton, the Department of Agricultural Economics, Experiment Station, results, Lincoln County,

N. C., 1939, as to hourly wage rate at 40 hours per week.

Survey of current business, July 1942, United States Department of Commerce, average weekly wage in April 1942 of 25 industries compiled by the National Industrial Board.

As to yield in 1942, the general crop report, Bureau of Agricultural Economics, released September 10, 1942.

As to present price of cotton, agricultural prices, Bureau of Agricultural Economics, released August 29, 1942.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. WILLIAMS. Mr. Chairman, I yield 5 minutes additional to the gentleman.

Mr. BARDEN. At this point I wish to state that the figures and estimates previously used and those I will use later were secured from the same departments as mentioned above; and further, these figures were the result of experiment station, extension service, the State department of agriculture, in cooperation with the Federal Department of Agriculture, so I am definitely of the opinion that they can be relied upon.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. Yes.

Mr. CRAWFORD. Within the last week the Department of Agriculture has issued this bulletin, Farmers and a Stable Economy, and I quote from point 3 on page 5:

Wages of industrial workers have risen more than the cost of living has increased since the outbreak of the war. Those charged with carrying out the seven-point program are fully aware of the fact that unless wages are stabilized, the whole effort to prevent inflation will fail.

If farm labor costs are not stabilized and industrial wages are not stabilized, the Department of Agriculture says that the whole program will fail.

Mr. BARDEN. And in my opinion they are correct. I am in perfect accord with the program of stabilizing everything, and have been in accord with that for a long time. We had a lot of talk about it with the Gore amendments, but we did not have many followers at that time. It might be interesting in that connection to say this, that the statistics show that wages are now 38 percent above last World War levels, and farm prices are 36 cents below. I am not going to be one to be terribly disturbed over the dangerous farmer. I think he has been most maligned and abused in that respect. We should be encouraging him instead of trying to slow him up.

Again I say, there is much more danger of bringing about conditions that would make it impossible for the farmer to produce meat, vegetables, and food crops by putting the cost of production too high and the market price too low than there is of his ever playing an important part in bringing about inflation. As late as April of this year, 1942, it was necessary for me to call on the Surplus Commodity Corporation to go to my district where they purchased several hundred thousand bushels of U. S. No. 1

cured sweet potatoes at 90 cents per bushel, a little more than one-half of what it cost to produce them. Some of those producers were crippled financially. Now, if we fix them so they cannot secure the necessary labor to harvest this year's crop, somebody will go without potatoes and we simply cannot afford a food shortage. I realize there are a lot of people in Washington who would like to ration the air we breathe, but the way to do away with that unpleasant process is by producing abundantly, and that certainly cannot and will not be done unless the average farmer can see where he is going to receive returns sufficient to pay the cost of production, handling charges, and so forth. We talk about floors and ceilings. Unless we change our practice of putting the farmers under the floor, you will wake up some bright morning and find this country short on all food commodities and even rationing will not feed hungry mouths, unless the farmers have produced the food.

May I also mention that in May of this year, 1942, U. S. No. 1 cabbage was selling in my district for \$5 per ton, and much of the crop was left in the field. Yet the people in New York who purchase this cabbage to eat paid many times more than one-fourth cent per pound and the farmer got the blame. Of course, the people want cheap food, but why should it all be taken out of the farmer's hide?

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. SHORT. How in the world can any man reasonably claim that the farmers of the Nation, who constitute more than one-fourth of our total population and who receive a little more than 10 percent of the gross national income, can start inflation?

Mr. BARDEN. Oh, I would say to the gentleman I do not believe I will attempt to take on that task. It would take some fellow who did not know anything about farming and cared nothing about the farmer's welfare.

Mr. SHORT. I am sure the gentleman agrees with me that the farmer has been maligned.

Mr. BARDEN. I think somebody just adopted the elephant's reasoning when he was walking across a bridge and turned around and shouted at the mouse, "Stop shaking this bridge."

Mr. SHORT. In relation to the bill that is before us, the price of parity in existing law does not include the cost of farm labor.

Mr. BARDEN. That is as I understand it.

Mr. SHORT. I take it that is the reason the President said in his message to the Congress on September 7 and reiterated it in his fireside chat, "Calculations of parity must include all cost of production, including cost of labor"; and then on September 16, just a few days later, in his letter to the chairman of the committee the gentleman from Alabama [Mr. STEAGALL] he states that the present formula does bring the farmer into a fair relationship with other groups. In his message he said that should include

labor costs. In the letter to the chairman of the committee he says we should not include labor costs. When are we to believe the President?

Mr. BARDEN. I will say that I am inclined to believe the President most of the time.

Mr. SHORT. Those two statements are irreconcilable, inconsistent, contradictory, and diametrically opposed.

Mr. BARDEN. I would say that just because I do not understand him sometimes is not going to cause me to question his truthfulness. I do not quite understand the reasoning in his statement or in this bill.

Mr. SHORT. I think perhaps the Secretary of Agriculture—

Mr. BARDEN. Just a moment. The gentleman has given me enough help and trouble for the time being.

Mr. SHORT. I thank the gentleman for his generosity.

Mr. BARDEN. At this point, I would like to read a letter, signed by Mr. Edward A. O'Neal, President, American Farm Bureau Federation, Mr. Albert S. Goss, Master, National Grange, Mr. H. E. Babcock, President, National Council of Farmer Cooperatives, addressed to the President of the United States under date of September 18:

WASHINGTON, D. C., September 18, 1942.
THE PRESIDENT,

The White House, Washington, D. C.

DEAR MR. PRESIDENT: We, the heads of the undersigned farm organizations whose members produce most of the food and fiber raised in this country, feel it is our duty to inform you that there is grave danger of a shortage of food and fiber next year unless the ceilings of farm prices are so adjusted as to enable farmers to meet essential production costs. The establishment of any ceiling on farm products which omits farm labor, as an item of cost, will fail of its purpose. The responsibility for the future food and fiber supply of the Nation must rest squarely on the shoulders of those who deny consumers of food and fiber this protection.

It is our duty to point out to you that the best protection against inflation is abundant production. Already the production of food and fiber in this country has passed its peak. Unless farmers can pay adequate farm wages, production of these essentials will continue to decline. The demand on farm labor by the military services and the attractive wages and shorter hours of labor which are already prevailing in industry, are resulting in farm laborers, farm boys and girls, and even farm operators leaving our farms in ever increasing numbers.

Respectfully submitted.

ALBERT S. GOSS,
Master, National Grange.
H. E. BABCOCK,

President,
National Council of Farmer Cooperatives.
EDWARD A. O'NEAL,

President,
American Farm Bureau Federation.

This, I think is a fair statement of the problem as it faces the farmer. I have talked to some of the representatives of these organizations. They are very definitely disturbed and my mind is not at all at peace when I read in section 3 of the bill under consideration:

Notwithstanding any provision of the Emergency Price Control Act of 1942—

And so forth. Which means that the President can wipe out those provisions

which were designed to afford at least a little protection to agriculture; and when I read section 4 of the same bill, which has an entirely different ring to it.

No action shall be taken under authority of this act with respect to wages or salary—
(1) which is inconsistent with the provisions of the Fair Labor Standards Act as amended;
(2) which is inconsistent with any recommendation or order of any agency of the Federal Government affecting wages or salaries—

And so forth. Yes; I am in favor of labor having protection, but by the same token, I am in favor of agriculture and the poorest paid man in America, the farmer, having the same protection. Regardless of what act we may write here, unless it results in fair treatment of industrial labor, agricultural labor and the farmer himself, it will not, and should not, be permitted to stand very long by the American people.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I yield to the gentleman from Illinois [Mr. DEWEY] 20 minutes.

Mr. DEWEY. Mr. Chairman, my distinguished colleague from Michigan [Mr. CRAWFORD] has several times made mention that there were no hearings on the bill which is before the committee. I have in my hand Senate Resolution 161, and if I recall correctly, about 8 or 10 days ago I received a letter, as I believe most of the members of the Committee on Banking and Currency of the House did, inviting me to appear and take part in the hearings before the Senate Committee on Banking and Currency when Senate Joint Resolution 161 was being discussed. I think I saw most of the members there. Senate Joint Resolution 161 and H. R. 7565, the bill here under consideration, are practically the same, with one or two exceptions which I will point out.

In section 2 there was a typographical error made in the printing of the House bill, by which it included certain words that appear in the Senate resolution, but which were not reported in the House bill, to which our distinguished chairman referred and with reference to which an amendment will be offered striking them out. That is to say, lines 8, 9, and 10 and a part of 11, on page 2, section 2, of the bill.

Then on page 4 of the bill under consideration, lines 15, 16, 17, and a part of 18 provide that the bill shall not apply to any employer who regularly employs less than 8 persons, and so forth. Similar wording has been entered into the Senate resolution, and it says 25 persons.

Then in the bill under consideration section 5, which permits 90-percent loans, was added in the committee. It was not in the original Senate resolution, but was added in the House committee when everyone was there.

So I think that any member of the Committee on Banking and Currency who cared to accept the invitation of the chairman of the Senate Committee on Banking and Currency might have heard Mr. Wickard and Chairman Davis, of the War Labor Board, and Mr. Leon Henderson discuss the bill, and they might

have been pretty well informed as to what is in the bill.

I know the zeal of many of my colleagues in regard to this bill and their interest, but my time is limited, and I have prepared a statement which I would like to read without interruption, and hence I will yield only after that statement is completed.

One year ago the Banking and Currency Committee was toiling with the emergency price-control bill, which was finally enacted in January 1942.

It was quite definitely shown as the hearings proceeded that Mr. Henderson favored a policy of what he called selected ceilings; that is to say, the control of the general price level by placing price limits on a number of basic commodities which by manufacture entered into the general consumption demand of the public.

Supplementing this control of prices of the selected commodities as a means of preventing inflation, the Federal Reserve Board enacted several regulations limiting the use of credit for installment purchases, and the Treasury Department recommended a series of taxes which would siphon off much of the excess spending power of the public, which was rapidly increasing due to large Federal expenditures for war materials.

This briefly outlines the system of price control which has now been in operation for about 9 months. While it has worked fairly well as a starter; nevertheless, as the country reaches closer to a point of full production it becomes more and more evident that any price-control system that will really do a job of even controlling inflation will have to depart from the selective theory of price limits and move forward to practically freezing prices of all commodities, wages, salaries, and other factors entering into living costs at some date when there had been a fair relationship between them and then make adjustments to correct gross inequities.

H. R. 7565, which is now before the House, supplementing the Emergency Price Control Act of 1942, attempts to provide authority to the President to make such a forward step.

The theory of tying commodities, wages, salaries, and the other factors entering into living costs to a date when some stability existed was very happily illustrated by Mr. William H. Davis, Chairman of the War Labor Board, in his statement to our committee. He wrote:

In the first place, as it seems to me, section 6 lacks the essential attributes of clearness and simplicity. As I understand it, it proposes to tie industrial wages to the prices of agricultural commodities. That is, it proposes to tie together the two variables which we are jointly seeking to control. If you had one horse harnessed to a mowing machine and another horse harnessed to a farm wagon and you were threatened with a violent storm, you would not hitch the two horses to one another. You would, I think, hitch each of them to an appropriate hitching post which you knew from past experience was firm and stable enough to keep each of the horses from running away. I think that is what we do when we tie farm prices to the parity provided in your bill and tie wages to existing wage levels, with adequate provision in both cases for adjustments of substan-

tial inequalities which result in manifest injustices.

At this point I wish to state that the words "freezing" and "tying" are used only in a relative sense, and that throughout the bill provision is made to correct any substantial inequalities mentioned by Mr. Davis.

Let us for a moment consider the two hitching posts referred to—parity for farm prices and existing wage levels for wage earners.

As I understand it, the term parity for farm prices refers to the period 1909 to 1914, when agricultural prices were fairly stable. Six basic commodities—wheat, corn, cotton, rice, tobacco, peanuts—were selected and their average value per pound, or whatever is the customary unit of measuring, was translated into a long list of manufactured articles which the farmer buys. This relationship is the parity we desire to maintain.

The second hitching post is wage level, or real wages. It can readily be understood that it is just as much to the disadvantage of the wage earner as to the farmer if parity gets out of adjustment. True, one or the other may profit for a period, but it is inevitable that there will be a readjustment. If farm prices advance over parity the wage earner's dollar will buy less, hence his real wages are lower. If, on the other hand, wages increase too rapidly, parity gets "out of kilter" as far as the farmer is concerned because manufactured articles increase in price to cover wage raises.

What usually occurs, particularly in times of intense business activity, is that a rise in wages causes farm prices to advance in their turn and this is followed by another increase in wages. The process continues, one ratcheting the other up, with the recipient, either the farmer or the wage earner, really gaining nothing at all. Each may have more dollars in his pocket, but they will not purchase any more needed articles. Further, each—the farmer and the wage earner—is injuring himself, for the reason that the purchasing power of any dollar set aside out of past effort, in a savings account, decreases as does the dollar value of life-insurance policies.

If this bill is enacted and the President receives the additional powers, let us see what he will have to contend with. The Price Control Act of 1942 permitted four ceilings below which the Price Administrator might not limit prices of a commodity: First, 110 percent of parity; second, the market price prevailing on October 1, 1941; third, the market price prevailing on December 15, 1941; fourth, the average price during the period July 1, 1919, to June 30, 1929. As a result, great inequalities as far as parity is concerned have developed in the prices of various commodities. However, it is of extreme importance to note from figures supplied by the Department of Agriculture that the over-all average farm prices in percentage of parity is 100.4 percent of parity for the first 8 months of 1942. This would appear to be a period of reasonable stability as far as the general prices of agricultural products are concerned, and probably can be maintained,

provided consideration is given to stimulating production and provided an adequate amount of farm labor to assist in producing the crops is made available.

In considering the farm-labor situation, it would be unwise to try and attract labor by high wages. Such a system would only stimulate an inflation spiral. The farm producer would make no more money for himself, but the added cost of each commodity would place a great burden on living costs of every other citizen. The whole question of adequate labor, both for the manufacture of implements of war and the providing of food and dairy products for our population and many of our allies, is a separate question from price control. It must be dealt with separately and in a comprehensive manner.

Let us look at this subject from a realistic standpoint. A kind providence has granted this year most bountiful crops to our country.

What the producer, individually, and our war effort, collectively, want is to get these crops harvested. To attempt to entice farm labor on a price basis is wishful thinking. Common labor on a neighboring airport or some other defense job gets as a starting wage 75 cents an hour or \$6 a day as compared to the dollar and a half and "keep" that farm labor receives.

The President has publicly expressed opposition to including increased cost of farm labor in figuring farm parity prices. Having so expressed himself one may believe that as Chief Executive, he has plans in the making for the present harvest and for future expansion of farm production.

Even should the Government subsidize a portion of the cost of the wages of a federalized land army under the direction of Manpower Commissioner McNutt, it would bear less heavily on the people, who are also the taxpayers, than would a price inflation of agricultural commodities which would tend to increase the cost of every bomber, tank, or fighting ship the Government purchases.

Let agriculture ask the Commander in Chief, as a war measure, to provide harvest hands this year, and for future crops ask for special legislation that will take care of them as well as other parts of our war economy that are short of manpower. This is an all-out war; let's have an all-out effort.

The second hitching post—existing wage levels—has been arrived at by a series of controversies, between labor and management, before the War Labor Board. The Board has, I understand, taken as a base the period 1938 to 1940, both inclusive, which is about the same years used by corporations in figuring their average earnings for excess-profits tax payments. The Board has endeavored to hold wage advances to the same percentage that living costs have advanced. This procedure maintains the real value of the workman's dollar, permitting him to maintain his standard of living. It also establishes a type of labor parity similar to farm parity.

After many minor settlements between management and labor, the Little Steel agreement was announced on July 16,

last, by the War Labor Board. This agreement, among others, established the date January 1, 1941, as a hitching post, and also established that statistics showed that living costs had advanced 15 percent to May 1, 1942. Hence wage earners that had received no advance since January 1, 1942, were entitled to a 15-percent increase, to reestablish the real wage value. Those who have received, for example, a 10-percent increase since January 1, 1941, would only be entitled to a further 5 percent.

Although there has been only 2 months of experience with the Little Steel agreement, it appears to have general acceptance, just as farm parity is commencing to be understood and accepted by the nonagricultural portion of our population.

These two hitching posts have been designated in H. R. 7565 for the President to use in the fight to stabilize prices, wages, salaries, and other factors affecting the cost of living. It is obvious that there will be many substantial inequalities to correct. The bill permits this. It states, as to farm-commodity prices, wages, and salaries, the President may make adjustments to correct "gross inequities." It is important to understand, however, that this authority to adjust is definitely limited. The President may lengthen or shorten the hitching rope of our two horses, but he may not change hitching posts.

As regards prices of a farm commodity, the President may not place a price below 100 percent of its parity, or the highest prices received by producers between January 1, 1942, and September 15, 1942, except to correct "gross inequities." And may I say that Webster's dictionary interprets "gross" as shameful or flagrant.

As regards wages or salaries, the President may, first, take action not inconsistent with the provisions of the Fair Labor Standards Act of 1938; second, not lower them below the highest amount being received between January 1, 1942, and September 15, 1942; and third, to permit such increases as will raise real wages to equality with existing cost of living, which is estimated to have increased 15 percent since January 1, 1941. The same provision to correct "gross inequalities" applies to wages and salaries as it does to farm prices.

Aside from this latitude given the President, H. R. 7565 hitches, freezes, ties, or immobilizes prices, wages, salaries, and other factors affecting the cost of living. It attempts, without injustice to one farmer or to one wage earner, to prevent the start of a competitive price race between wages and farm prices.

True, it is no "snake oil" cure-all. It will not put farm labor back on the farms. Some other legislative action will be required for that. Nor will it prevent the pirating of labor from one industry to another; that sort of thing also needs attention. It is a common-sense method of trying to stop inflation which contains as many dangerous elements as war itself.

There has been so much said about the dangers of inflation that I hesitate to add more. As a memory refresher I offer the following.

Upon inquiry the Department of Commerce furnished me some data, and in a covering letter I was struck by the opening paragraph which I quote herewith:

As a result of a brief survey of available materials on the distribution of income among families and individuals in the United States, it is estimated that approximately 50 percent of American families have received no appreciable increase in their incomes since December 7, 1941, and that 20 percent have had no income increase since 1939.

It is estimated that in 1942 between thirty-two and thirty-three million families of 3.6 persons to a family dwelled in the United States and that about 10,000,000 persons dwelled alone but were considered as a family. One-half this number of people, or over 64,000,000 souls, have had no income increase since December 7, 1941.

And let me speak a word for another and distinguished group of our population, our senior citizens, those good people who have reached or passed the age of 60 years. The latest figures available show that there are almost 14,000,000 of these. Not all but many of these elders, I feel sure, have received no increase in income. In fact, many are dependent on annuities or fixed dollar investments of their efforts of younger days. What will be their situation if the real purchasing power of their dollar income decreases, due to a price race between commodity prices and wage rates? This is a race they and many millions more of our fixed salary or income fellow citizens cannot enter. Yet they are the rent payers and the purchasers of about 40 percent of agricultural commodities. This group has no farm-parity or wage-parity system to protect their dollar. Our elder citizens and our fixed income and salary groups have only their United States Congress to look to for protective legislation.

This is a moment to put aside sectionalism or partisanship. Each of us, I know, owes a particular obligation to the citizens of the district each represents and to their major occupation. However, there is a greater obligation to our indivisible country—our America—which is at war. If any person has a better system for stopping the advance of prices than by stopping them, let his system be paraded. If not, let us—we, the Congress of the United States—reaffirm the duties of the three branches of government, the legislative, the executive, and the judicial, by enacting common-sense legislation empowering the President to fix prices and forefend the danger of inflation. Ours is the duty to legislate. Once empowered, it is the duty of our Chief Executive, the President, to act. Let us legislate and request the President to act promptly.

Mr. ROBERTSON of Virginia. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. I yield to my distinguished colleague from Virginia.

Mr. ROBERTSON of Virginia. Mr. Chairman, I understood the gentleman to say that during the eight months from January 1 of this year the over-all parity average had been 100.4 per cent.

Mr. DEWEY. One hundred and four-tenths percent on the average for all commodities.

Mr. ROBERTSON of Virginia. On yesterday I was told by the Bureau of Farm Economics that as of August 15 the prices the farmer was paying had advanced the over-all average, had moved it up to 107 per cent. Am I correct in assuming that when the gentleman speaks of 100 parity ceiling it really means with respect to existing prices 107 per cent over-all average?

Mr. DEWEY. I think the gentleman is correct in his statement.

Mr. ROBERTSON of Virginia. I want to commend my able and distinguished colleague from Illinois for the fair and nonpartisan spirit with which he has approached a difficult and complicated economic problem and to thank him for the clear and lucid statement of what this bill contains.

Mr. DEWEY. I thank my distinguished colleague from Virginia for his very kind words. Coming from such a source, I consider them a compliment, indeed.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DEWEY. Yes; I yield to my distinguished colleague from Minnesota.

Mr. KNUTSON. I am very much interested in the very able and clear statement the gentleman has made. As I read this legislation it is merely permissive; it is not mandatory.

Mr. DEWEY. I think the gentleman is entirely correct; there is nothing mandatory except the legislation provides certain limits.

Mr. KNUTSON. If, therefore, the purpose of this legislation is not carried into effect the responsibility will be the President's rather than the Congress's.

Mr. DEWEY. I think that is entirely correct.

Mr. KNUTSON. I thank the gentleman.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio, Mr. Smith.

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Ohio. Mr. Chairman, I approach the consideration of the bill before us, H. R. 7547, which is supposedly in response to the peremptory demand made by the President upon Congress in his Labor Day message that further legislation be enacted by October 1 to give him more power to control farm prices, wholly from the standpoint of the overshadowing and all-embracing demands that are inherent in our struggle to win the war.

Especially in the consideration of the measure before us this one thought should constantly be uppermost in our minds and be the guiding element of every decision we make. To the extent we fail to do this we shall likely write legislation that will have the opposite effect from that which is intended.

If we approach the consideration of this measure from the standpoint of the farmer or laborer, the rich or the poor, or of reform, we shall likely go astray and write legislation that will increase prices and bring us nearer to run-away inflation.

The war needs now supersede the conflicting interests of every group. Only that which will give our soldiers the necessary means to win the war should have first consideration.

Why, then, the precipitate and arbitrary demand of the President?

Was it really necessary?

Would anything more have been required to put the desired legislation through Congress than for him to have given orders to his own party leaders to do so?

Has not the power he wields over both Houses of Congress, through the overwhelming majority of members of his own political faith, given him just about everything he has ever asked for?

Was the President waiting for the Republican minority to initiate the legislation he requested?

Who has failed the Nation, the Congress or the President's own party?

I can find no justification whatever for the President's vitriolic attack upon Congress; namely, that he had on April 27 last asked Congress to pass two pieces of legislation—one to provide adequate taxes, and the other to permit him to lower the ceilings which the Price Control Act places on farm commodities, that Congress had failed to heed this request and that this "delay has now reached the point of danger to our whole economy."

And has already "imperiled the war effort by the threat of economic chaos."

Is the President's complaint about failure to pass more adequate tax legislation directed at Congress because the pending tax bill is not going through fast enough? If so, why did not he specifically include in his mandate to Congress an order for it to act on that too by October 1, or sometime before November 3.

But his express demand upon Congress did not even mention the tax bill. So it does not look as though the failure to enact adequate tax legislation was worrying him so much.

Farm prices seem to have been his main concern. Indeed, it appears he thinks the rising cost of living, the spiraling domestic economy, and the threat of inflation itself are somehow all caused by excessive farm prices.

He says:

The Congress must realize that unless the existing control over farm prices is strengthened, we must abandon our efforts to stabilize wages and salaries and the cost of living.

The movement of uncontrolled food prices since May 18, 1942, the date when the price regulation became effective, has been so drastic as to constitute an immediate threat to the whole price structure, to the entire cost of living, and to any attempt to stabilize wages.

The delay has now reached the point of danger to our whole economy. Therefore, I ask the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities.

But let us keep clearly in mind that the President's demand upon Congress involved only two pieces of legislation, each dealing with specific items, the one

with taxes and the other with farm prices.

In referring to his seven-point program enunciated last April, he said:

However, we are carrying out, by executive action, the other parts of the seven-point program which did not require congressional action.

The two that he said require congressional action are points 1 and 4. Point 1 relates to taxes and point 4 to farm prices. Having disposed of point 1, there remains only point 4 of his seven-point program to which the President's mandate upon Congress could have had reference.

So when the President says:

Therefore, I ask the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities.

Since he fails to include in his demand anything that can be interpreted as referring to tax legislation, there results the inescapable conclusion that the President's peremptory demand upon Congress relates specifically to giving him authority to lower farm prices. It appears he thinks this is all he needs—in our objective of stabilization * * * to move on all seven points at the same time.

I cannot see how it is possible to put any other construction on his language without violating it.

Since the burden of the President's message seems to be worry over excessive farm prices, it would appear he goes pretty far when he says:

Therefore, I ask the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities.

And—

I ask the Congress to take this action by the 1st of October. Inaction on your part by that date will leave me with an inescapable responsibility to the people of this country to see to it that the war effort is no longer imperiled by the threat of economic chaos.

And also—

The President has the powers, under the Constitution and under congressional acts, to take measures necessary to avert a disaster which would interfere with the winning of the war.

In the event that Congress should fail to act, and act adequately, I shall accept the responsibility, and I will act.

I shall not comment on this language, except to inquire what on earth have the farmers of America done which causes the President to feel they deserve such treatment as this? And to further ask if the weight of his attack has not fallen upon them, rather than upon the Congress or even his own party.

But the irony of the President's claim that excessive farm prices are the roots of the inflationary spiral, that this situation is so grave he must have congressional authority to deal with it by October 1, or else, is that he already possesses, under section 3 of the Price Control Act, powers under which he can lower substantially the current prices of

some of the more important farm products, which power he has not used.

Here are some of the food items on which he now has the legislative authority to lower the current prices. Figures supplied by the O. P. A.

Hogs from \$14.13 per hundredweight to \$12.16 per hundredweight.

Beef cattle from \$11.30 per hundredweight to \$9.34 per hundredweight.

Veal calves from \$12.91 per hundredweight to \$11.91 per hundredweight.

Lambs from \$12.07 per hundredweight to \$11.07 per hundredweight.

Rice from \$1.63 per bushel to \$1.44 per bushel.

Dry field peas from \$4.14 per hundredweight to \$3.93 per hundredweight.

Wool from 39 cents per pound to 37 cents per pound.

I am not saying the President should lower these prices. I am merely pointing out his inconsistency and utterly fallacious utterances that farm prices are getting out of control because he lacks authority to curb them.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. AUGUST H. ANDRESEN. Under the bill before the House which continues the floor price at the price of September 15, the prevailing prices will stand, but the President will not have as much authority as he has under existing law.

Mr. SMITH of Ohio. I am glad the gentleman brought it out; that is largely true.

Mr. AUGUST H. ANDRESEN. In other words, this ties the President's hands and places a floor under beef, pork, and the other commodities to which the gentleman referred, and the prices can only go up; not down.

Mr. SMITH of Ohio. That would be my conclusion.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. O'CONNOR. The gentleman I believe referred to wool. It has been charged that the present increased price of wool contributed highly to the prevailing high cost of wearing apparel for both men and women. I want to point out the fact that a typical suit will use in the neighborhood of 10 pounds of wool in the grease, which means about half that weight of scoured wool. Under the present price of wool, even though it is comparatively high, the cost of the wool in the suit will not exceed \$4.50, the typical suit that sells to the public at from \$25 to \$70. This means that the farmer or the stockgrower receives for the wool that goes into that suit approximately 10 percent of the cost of the suit.

Mr. AUGUST H. ANDRESEN. Labor and industry get the rest.

Mr. O'CONNOR. I do not know where the rest goes, but there you have the stretch between the time the wool is sold and the time the individual buys the suit.

By the way, there may be a very good reason why the administration hesitates to enforce the ceiling prices on at least some of the farm commodities, for ex-

ample, cattle, hogs, and other meat animals.

Figures supplied by the Department of Agriculture show that on January 1, 1942, there were in the United States only 5 percent more of "all cattle and cattle other than milk cows," and only 5 percent more hogs than there were in 1917 when we entered the other war. Yet the population has increased about 30 percent since 1917, so that there are approximately 30,000,000 more mouths to feed.

We entered this war with an absolute and critical shortage of these animals, something the administration is peculiarly, if not ominously, silent about. It would appear an "ever normal granary" with empty stables leaves something to be desired in rounding out the economy.

I shall not take much time discussing the pending bill. It is not the original measure introduced by Mr. Steagall in our committee. Without previous notice the pending bill was given to our committee last Friday and received no more than 2 hours of superficial and perfunctory consideration and then was steam-rolled through.

No testimony was offered in support of this measure, or explanation given of it. So far as I could see the main consideration was how many votes it would yield.

About the only part of the Steagall bill that is in this pending measure is the crop-loan provision.

The origin of the bill is as obscure as its substance is alarming.

This is not an anti-inflation bill. It is definitely an inflation measure. What it will likely do, in effect, is to streamline the inflation spiral and make it official.

Mr. Chairman and ladies and gentlemen of the House, I plead with you that we proceed cautiously on this proposed piece of legislation. Let us not do something here today that we may regret and which may rise to haunt us the rest of our days. Let us not do something which can, in my studied opinion, become a major factor in losing the war.

I am not arguing against legislation to control the cost of living and prevent uncontrolled inflation. I think my record shows that I have warned and warned against this eventuality and have striven hard to have legislation enacted or repealed to prevent it.

If the President is correct in picturing the situation as menacing the war effort, I want to go with him all the way in setting up means for averting this disaster. And, for my part, I am convinced that he has not overstressed the danger of inflation, though I disagree with him as to some of the causes he advances and some of the cures he offers for this deadly economic disease.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield further?

Mr. SMITH of Ohio. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Can the gentleman explain to us what is meant by the very frequent term that is used in the bill called "gross inequities"? When the President finds gross inequities

then he can do as he sees fit irrespective of existing law. I would like to have the gentleman's interpretation as to just what is meant by "gross inequities."

Mr. SMITH of Ohio. I think the gentleman can define that expression as well as I can. My objection to that term is that it forms a rallying point for the pressure groups to press their demands. What is a gross inequity for one person may be a minor inequity for another.

Something should now be done to directly control the cost of living, but let us not be misguided into thinking that inflation can be curbed with the measure now before the House.

Since the administration, the Congress, the agricultural and labor groups, as well as the country in general are now committed to the principle of stabilizing farm prices and wages I think the logical, fair, and safe thing for the Congress to do under the conditions created by the President's peremptory order would be to pass temporary legislation stabilizing farm prices and wages pretty much at the present levels. Such legislation should be written for a period of not to exceed 90 days.

If this procedure were carried out it would effectuate three vitally important objectives.

First. It would give the President everything he could possibly have intended to include in his demand upon Congress for legislation to check the rising cost of living, and for halting inflation.

Second. It would preserve the constitutional prerogatives and powers of Congress. This is so vital that it should take precedence over nearly all other considerations.

Third. It would provide more time for the careful, thorough, and judicious study of the questions involved, which is needed in the writing of permanent legislation dealing with the disturbing problems of inflation.

Such interim legislation would be simple, direct, and specific. It would be free from vagaries and formulas and would require no lawyers to interpret its meaning. It would be safe for it would involve no risk of further complicating present conditions.

If adopted, it would be simple, easy, and comparatively inexpensive to administer. It would have the extraordinary merit of being as free from political and pressure-group influences as any anti-inflation legislation that could be written. It would be fair as between agriculture and labor, at least as fair as it is possible to legislate now under existing conditions. It would do as much to check rising prices as could possibly be expected from any direct price-control legislation.

If this temporary legislation were enacted, it would show the people of this country that the Congress is willing to assume the responsibilities and duties the Constitution imposes upon it.

Of course, there would be uncertainties and inequities under such legislation as here suggested. But would these likely be as great as the ones that will almost certainly result from the legislation now before the House, which has had little or no consideration, and which is loaded

with elements that are subject to all sorts of political influences and pressures. Such inequities and uncertainties as would appear could be corrected in the permanent legislation.

Were we to wait before putting direct price controls into effect until all the inequalities and uncertainties between different economic groups, as well as between different members of the same group, were corrected we surely would never have any such controls. It appears to me conditions are now such that the more we legislate on these matters the greater become the disparities we are trying to correct. We have to start somewhere to take definite action, or else give up the idea altogether of trying to hold the cost of living down, and prevent inflation.

I am not assuming that my suggestion, if it were adopted, would be a cure-all. Other measures must be put into effect, some of vastly greater importance than direct price control, if run-away inflation is not to overtake us. A most important measure would be one to eliminate wasteful spending and nonessential, nondefense spending. These spending practices are doing more to create inflation than all the other inflationary forces put together.

If such a proposal as I have suggested were adopted I believe it would be the best thing Congress could do for all groups in the way of direct control of prices.

No one knows how near upon us uncontrollable inflation may be. The President thinks the threat of wild inflation is already present. He has so stated. This is a dangerous situation, one that requires strong action. Should this pernicious disease overtake our Nation not only must every class and group suffer great hardships, lose their life savings, the value of their insurance policies, annuities, and so forth, but it will definitely imperil our war effort and can cause us to lose the war.

The whole question before the House is whether we really want to do something to curb the rising cost of living and check the inflation movement. If we do then we should have the courage to turn down the pending measure and substitute a bill embodying the suggestion I have made. The situation demands strong action. The war needs impose upon us the responsibility to act.

Mr. WILLIAMS. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FADDIS].

(Mr. FADDIS asked and was given permission to extend his own remarks in the RECORD.)

Mr. FADDIS. Mr. Chairman, in this grim all-out struggle for our national existence when we must muster every resource and exert every effort to secure this Nation for our posterity, we are losing one battle—the battle against inflation. If we cannot win a battle such as this—one which is purely domestic, in which all the factors necessary to victory are within our own control—then we will probably lose the war in which we are engaged and we will deserve to lose it.

Once more we have reached a period in our national life where the demands for special privileges for pressure groups are given more consideration than is given to the general welfare or to the national security. We have passed through like periods in the past and the results were inevitably disastrous. That we survived these crises was due to the fact that our difficulties at the time were purely domestic. Now conditions are different. We are facing dangerous situations both from within and from without. If we are to survive, we must meet both of these situations honestly and courageously. We cannot solve our present problems, whether economic or military, by half-hearted, piecemeal, demagogic measures.

I was one of those who opposed the original price-fixing bill because it did not provide for the fixing of wages or the price of agricultural commodities. Just how anyone could bring himself to believe that inflation could be prevented without controlling the two most important factors in the set-up, I cannot imagine. Certainly any school child should know better; but then, school children for obvious reasons are not susceptible to the influence of pressure groups.

There can be no doubt but that the influence, which was the most influential in preventing enactment of proper measures to prevent inflation, was the leadership of organized labor. Let it be remembered right here that much of this same leadership encouraged and assisted in a system of racketeering wherein free-born American citizens are forced to pay exorbitant initiation fees before they are allowed to work at the construction of cantonments to be used to shelter your sons or your neighbor's sons while they are being trained to fight the battles of this Nation, or before they are allowed to work in industries producing arms, munitions, or equipment to be used in producing for the security of this Nation, and all the wages in connection with such industries comes from the pockets of American taxpayers.

Why should conditions exist under which a free-born American citizen, who is trying to earn a living for himself and his family, before he is permitted to work in an industry supported in whole or in part by money from the pockets of free-born American taxpayers, be compelled by force or violence or threats thereof to join a labor union and pay fees and dues into the coffers of racketeers, who are immune from all governmental supervision or control and who are neither responsible nor accountable for the money? When the time comes, and it is nearly here, when a man can be forced to belong to a union before he can earn a living to support himself and his family, it is only a step and a very short step until he can be forced to belong to a certain church or a certain lodge or be a member of a certain race, before he will be allowed to earn a living.—Such practices do not belong in a free nation and a nation which permits, tolerates, or encourages them cannot remain a free nation. The right to earn a living for oneself and one's family is a right more

sacred, more basic, and more fundamental than the right of freedom of religion, freedom of speech, freedom of press, or freedom of assemblage. If we cannot enjoy this right, of what avail are all the other rights guaranteed to us by the Constitution?

Let it also be remembered that throughout our entire rearmament program these leaders of organized labor have been responsible for the loss of millions upon millions of man-hours, both directly and indirectly, as a result of strikes. These man-hours are gone forever and can never be regained. The loss occasioned is more than it appears to be, because many of these strikes were in key industries and crippled many industries other than those where the strikes occurred. We are feeling this loss keenly and will continue to do so throughout this entire emergency. Yet, because of the influence of such obviously ignorant, selfish, and unpatriotic individuals, we have permitted this Nation to drift up to the very edge of this maelstrom of inflation, which will destroy the purchasing power of the professional and white-collared classes as well as that of the laboring classes. Any worker who believes that his wage increase will not be reflected in increased prices in his food, clothing, and rent is blind to the realities of the situation.

The rank and file of labor are not to blame in this matter, except insofar as they support those of their leaders who are ignorant, selfish, and unpatriotic. They are bulldozed into paying tribute to these racketeering leaders who have perfected a tight private organization, immune from all forms of government supervision or control. They are led to believe that their prosperity is dependent upon high wages. They do not understand, that high wages bring on inflation because they create a demand for commodities, which is greater than can be satisfied. They listen to the rabble-raising propaganda of their leaders about high salaries of officials of industry, which in many cases are unjustifiably high. These factors, however, do not cause inflation, because the increased buying power represented is negligible. Then, too, they have been led into a system, which before the emergency curtailed the per capita output of consumer's goods. The 40-hour week was a desirable condition at that time, inasmuch as it prevented a surplus of consumer's goods and spread the work. Now, such a condition is undesirable, because it restricts the output of consumer's goods when they are badly needed and thereby encourages inflation. Organized labor, however, blinded by the cry of their leaders, that even during this dire emergency, none of their so-called gains shall be surrendered, demanded the continuance of a condition, which contributes to an inflation, which will harm them more in the end than it will any other class. We have been governed in our enactment of legislation by such influences. Is it any wonder we are on the brink of disaster? Is it any wonder the people of this Nation are looking askance at Congress? Is it any wonder that we in Washington are accused of being more

concerned about politics than about winning the war? Only strong courageous decisive action can serve in such times as this and such action has certainly not been forthcoming.

All of the effort so far expended to prevent inflation might just as well have not been spent. In the absence of a strong policy to control wages and agricultural commodities, all other efforts are futile as the Nation will soon learn beyond the possibility of any doubt. Inflation is inevitable, the cost of living will skyrocket, and our system of domestic economy will come to disaster, all because the Congress and the Administration have lacked the courage to resist the unreasonable demands of pressure groups.

The leaders of labor, and those who support them, argue that the raises in wages come from money which would otherwise go to the Government in the form of taxes, or to stockholders in the form of dividends. This may be true in part, but the Government must have taxes and investors are entitled to reasonable returns upon their investment. As a matter of fact, dividends are being cut every day because of wage increases and taxes. Wage increases, under such circumstances, means the taking of money which would otherwise go into the Federal Treasury to help meet the expenses of the war. Instead of being used for this purpose, which is not inflationary, they are used to increase the demand for consumer goods, which is inflationary.

The argument is also used that since many industries are working exclusively upon material for our armed forces, the money to pay the wage increases demanded comes from the public treasury. Of course, it is very easy to satisfy the financial demands of any pressure group by recourse to the taxpayer's pockets. That is the path of least resistance. Such a solution, however, is certainly not statesmanlike. It is hoped that some day the taxpayer will get wise to such a procedure and put an end to it. It is obviously unfair to the already overburdened taxpayer to attempt to solve the problem of inflation by subsidies, bonuses, or wage increases at his expense. This is all the more true, since those who are clamoring for wage increases are also protesting against legislation which taxes those who by their demands are making higher taxes necessary by causing increases in the cost of everything necessary to the prosecution of the war.

In this matter of prevention of inflation, the advice of Baruch and others who have had experience with the same problem during World War I, has been rejected in favor of that of those who are long on theory and short on experience and who are also biased and selfish in their viewpoint. The powerful labor lobby had its way. Against all the dictates of common sense, Congress was bulldozed into the enactment of a bill which everyone knew to be inadequate. As a result, we have had a steady raise in wages, which has resulted in a corresponding rise in living costs, which is used as an excuse for further demands for wage increases. Thus we have a situation in which the total cost of the war is increased by billions, which must event-

ually be wrung from the taxpayers and no one is any better off.

If we are to control inflation and prevent disaster to our domestic economy, we must recognize the fact that high prices are not the cause, but the effect of inflation. The real cause of inflation is the increase of civilian's purchasing power confronted by a decreasing supply of consumer goods. We must combat inflation by regulating all of the factors which go to make up food, clothing, and consumer goods. We must fix wages for the same reason and also to curtail buying power. In addition, we must siphon off the surplus purchasing power now in civilian hands in order to more nearly preserve the proper ratio between the supply of consumer goods and the demand.

In this legislation we are considering the control of wages and agricultural commodities. I hope we will be able to accomplish this in a manner which will be fair, equitable, and just to all concerned. I hope we can do so with the least possible economic disruption. I hope we can do so in a manner in which the regulation and sacrifice will not fall mainly upon a minority of our population. I am sure that American citizens of all classes, whether farmer, laborer, white-collar, or capitalist, will cheerfully and willingly bear their full share of the burdens of this war if they can be made to understand the truth. If any class has been misled by their leaders to the point where they have been influenced to bring pressure for preferential treatment from the Congress, we should exercise the statesmanship of which we are presumed to be capable and resist such demands. We should do so not only in this legislation, but in revenue legislation and all other legislation which comes before us.

If we solve this problem in a manner which in fact makes every individual bear his share of this burden, we should be able to maintain a system of relatively free economy. If we continue to be influenced by the arrogant demands of pressure groups, we are certain to reach a condition where strict rationing of all commodities and a rigid central control of every industry and worker will be necessary. Under such a system our standard of living will fall and our individual liberty will vanish. We will be a victim of the very system we are fighting to destroy.

The people of this Nation, irrespective of class, are ready, willing, and even anxious to make any sacrifice to preserve this Nation. They are looking toward their elected representatives for guidance and direction. If we are to expect them to turn a deaf ear to the propaganda and the tub thumping of the unelected would-be regulators of the affairs of this Nation, we must set them an example and do so ourselves. Let us, without fear or favor, pass legislation to control prices and wages and then follow it up with measures which will impose the tax burdens of this Nation in an equitable manner. In no other manner can we win this battle against inflation. In no other manner can we preserve our American institutions and the

American system of individual free enterprise, which in such a short space of time, builded upon this continent the greatest Nation the world has ever seen, which has given to the inhabitants thereof more rights, privileges, and liberties, more necessities, comforts, and conveniences than the inhabitants of any other nation have ever known. This system which individual free enterprise has builded is going to furnish the material, equipment, supplies, manpower, and the morale necessary to save this Nation and preserve our freedom. This great American industrial system with its industries, resources, and skill; its ingenuity, ability, and initiative, is determined to protect what it has builded, because the system is worth fighting for.

The men who builded this system and this Nation were not loafers, beggars, cowards, or strikers. They were workers, planners, and men of thrift and vision. They were not afraid to labor, save, and sacrifice in order to bring into being a system which would furnish employment and commodities for the Nation. We owe it to our posterity to preserve this system against all its enemies, both foreign and domestic. We can do so only if we properly exercise our constitutional legislative authority and write definite and explicit legislation to cover the subject of stabilization of prices, wages, and salaries which will insure justice to all and special privilege for none.

Mr. WILLIAMS. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. MONRONEY].

(Mr. MONRONEY asked and was given permission to extend his own remarks in the RECORD.)

Mr. MONRONEY. Mr Chairman, so many claims and counterclaims have been made here today regarding the inflationary aspect of the wage-control formula it is wise at this time to look at the record industry by industry and to survey the number of employees apt to be affected by this specific provision.

I have always contended that only by an over-all price, farm products, and wage control could the vicious spiral of inflation be avoided. We are now entering on the first spiral upward with such force that unless drastic action is taken, and taken quickly, the top will blow off, and control then will be impossible.

No Member can hope to win a popularity contest by voting for any form of price control. There will always be inequities in any control program, the same as exists at any given time in a free and competitive price structure. Effective control cannot adjust these inequities, for they are by their very nature interlocked in the entire price structure. But we must not overlook the stark threat of the greatest inequity of all—inflation.

Labor will have to forego further general increase of its wages in order to prevent run-away prices. Farmers will have to sacrifice greater income and face rising production costs in order to avoid the disaster that inflation will cause. The dangers from uncontrolled inflation are so much greater than the inequities each will face under proposed price con-

trol that I see no choice but to enact the strongest bill that the Congress can write to stabilize prices, farm products, wages, and salaries at the nearest possible figure to their present levels. It is wise to stabilize now, for each succeeding month throws the situation further out of balance.

It has been argued that the proposed formula to provide a ceiling over wages at their present levels or at a level 15 percent above the January 1, 1941, figure is inflationary. Under the present law remember there are no ceilings on wage or salary rates and many of the wage rates today are far out of proportion because of this lack of control. To avoid taking action now will further permit unrestrained increases.

These, according to the Office of Price Administration, are occurring at the tremendous rate of about \$1,500,000,000 a month. Largely these increases occur in the durable-goods industry where labor is in a strategic position to demand and insist upon increases.

Of greatest importance therefore is a first consideration of the wage rates in these industries. I would like to quote a letter received this morning from Mr. N. Arnold Tolles, Acting Commissioner of Labor Statistics of the United States Labor Department, who states that the bulk of the durable-goods industries have already granted wage increases of 15 percent or more.

We writes as follows:

Average hourly earnings have increased as a result of increasing amounts of overtime work at premium rates and increasing amounts of night work, quite apart from general wage increases. Changes in the composition of the work force also influence the movement of these averages. When allowance is made for such influences, it still appears that the bulk of the durable-goods industries have granted wage-rate increases of 15 percent or more. Among those durable-goods industries are most of the key industries for war production.

Complete figures are available for all manufacturing industries and the 13,146,000 employees engaged therein only on the basis of average hourly rates of pay and consequently the increases shown fail to separate or isolate the premium overtime payment. They do serve as a guide, however, worthy of the study of Congress. (See table A.)

I would like to call your attention to the schedule printed herein and point out that out of the 43 industries included in the durable-goods industry, only five industries have failed to exceed 15 percent increase since January 1, 1941, in average hourly earnings. Out of the 43 industries, the five not yet above the 15-percent increase are:

Increase above Jan. 1, 1941

	Percent
Cutlery-----	12.8
Hardware-----	14.1
Cement-----	13.7
Glass-----	8.2
Marble, granite, etc-----	7.5

In the nondurable-goods industries, the rise to 15 percent has not been so complete. Out of the 47 industries, 18 have not yet reached the 15-percent point of increase. These are as follows:

Increase above Jan. 1, 1941

	Percent
Hats, fur-felt-----	11.5
Hosiery-----	7.8
Knitted outerwear-----	14.3
Men's clothing-----	13.5
Women's clothing-----	9.9
Millinery-----	7.4
Baking-----	11.3
Beverages-----	8.0
Butter-----	12.3
Flour-----	13.0
Ice cream-----	8.8
Sugar refining (cane)-----	12.2
Chewing and smoking tobacco-----	14.3
Cigars and cigarettes-----	13.2
Book and job printing-----	6.9
Newspapers and periodicals (printing)-----	6.1
Petroleum refining-----	13.2
Cottonseed oil-----	13.5

Thus, only 23 industries out of the 90 making up our entire manufacturing industry have failed to reach a 15-percent increase in average hourly earnings. Of these, however, only 9 industries show less than a 10-percent increase in average hourly earnings as compared with January 1, 1941.

Admitting the possibility of adjustment in some of the industries to take care of the premium overtime pay included in these figures, it is apparent that most of the 15-percent increase over January 1, 1941, provided for in the bill had already taken place in the manufacturing industries in May 1942. Most of them have continued to go up each month as the last column indicates. These figures cover the 13,146,000 employees of these industries.

Mining is not included in these figures, but it is interesting to note that the wages of the bituminous coal miners have increased on an average hourly earnings basis 19.8 percent from January 1, 1941, to May 1, 1942. This figure for July 1942 stood at 22.8 percent according to the Bureau of Labor Statistics. Anthracite miners, a relatively smaller proportion of the mining group, have gone up only 7.1 percent in the January 1, 1941, to May 1942 period. (See table B.)

The Bureau of Labor Statistics lists 3,417,000 workers under the classification of transportation and utilities. Of this group most wages are below the 15-percent figure but reflect substantial increases. Railway straight time hourly earnings show an increase from January 1, 1941, to May 1942 of 12.6 percent while crude petroleum shows an increase for the same period of 12.3 percent. Telephone and telegraph workers reflect only a 3-percent increase for the same period; electric light and power workers 7.3 percent, and street railway workers 9.4 percent. (See table C.)

Figures are not available for the construction classification in which 2,073,000 are employed. But judging from average hourly earnings unofficially reported, these are either above or near the 15-percent figure.

Figures are not available for the following classifications: Trade, wholesale and retail, 6,582,000; finance service and miscellaneous, 4,314,000; Federal, State, and municipal government employees, 4,889,000. (See table D.)

I feel that Congress must act and act now if we are to get legislation that will

fix a ceiling on wages. From the figures included herein, it seems apparent to me that the bulk of wages, particularly those in groups that have always set the pattern for increased wage rates, have already reached or nearly reached the specified 15-percent ceiling.

Only by stabilizing these wage rates and the farm prices now can the upward pressure for continuing wage increases and continuing price increases be avoided.

Unless this is done the farmer, worker, and businessman—all three—will lose the value of the purchasing power of his dollar. He might make more dollars under inflation, but they will buy less than they will today.

Likewise the Government, instead of spending \$212,000,000,000 as has been appropriated to date for war, would spend four hundred billion or more under inflation and still receive no more guns or tanks or planes or ships.

A few cents sacrificed today by the individual in increasing his anticipated price, anticipated wage, or anticipated profit can prevent this anticipated inflationary spiral from breaking loose.

TABLE A.—Average hourly earnings in manufacturing industries, January 1941,¹ May 1942, and July 1942, and percentage increase in average hourly earnings, January 1941¹ to May 1942

[Compiled by the Bureau of Labor Statistics]

Industry	Average hourly earnings including overtime pay			
	Base period ¹	May 1942 (preliminary)	Percentage increase base period to May 1942	July 1942 (preliminary)
	(1)	(2)	(3)	(4)
DURABLE GOODS				
Iron and steel and their products, not including machinery:				
Blast furnaces, steel works, and rolling mills.....	Cts. Cts. Pct. Cts.			
Bolts, nuts, washers, and rivets.....	86.1	100.0	16.1	100.4
Cast-iron pipe.....	70.6	88.2	24.9	88.6
Cutlery (not including silver and plated cutlery) and edge tools.....	61.3	75.7	23.5	77.3
Forgings, iron and steel.....	63.5	81.0	12.8	82.2
Hardware.....	81.8	102.4	25.2	103.4
Plumbers' supplies.....	69.5	79.3	14.1	84.8
Stamped and enameled ware.....	69.6	84.0	20.7	83.7
Steam and hot-water heating apparatus and steam fittings.....	66.5	81.2	22.1	83.2
Stoves.....	73.2	91.9	25.5	92.2
Structural and ornamental metalwork.....	67.8	81.5	20.2	84.1
Tin cans and other tinware.....	74.3	90.3	21.5	91.0
Tools (not including edge tools, machine tools, files, and saws).....	63.9	73.8	15.5	74.9
Wirework.....	66.2	81.7	23.4	83.0
Machinery, not including transportation equipment:	71.2	84.9	19.2	86.5
Agricultural implements (including tractors).....	82.1	98.6	20.1	100.0
Cash registers, adding machines, and calculating machines.....	84.6	105.8	25.1	107.5
Electrical machinery, apparatus, and supplies.....	76.6	91.8	19.8	93.2
Engines, turbines, water wheels, and windmills.....	84.1	113.8	35.3	116.9
Foundry and machine-shop products.....	75.7	91.0	20.2	92.4

Footnotes at end of table.

TABLE A—Continued
[Compiled by the Bureau of Labor Statistics]

Industry	Average hourly earnings including overtime pay			
	Base period ¹	May 1942 (preliminary)	Percentage increase base period to May 1942	July 1942 (preliminary)
	(1)	(2)	(3)	(4)
DURABLE GOODS—continued				
Machinery, not including transportation equipment—Continued.				
Machine tools.....	78.1	96.5	23.6	97.3
Radio and phonographs.....	63.2	78.5	24.2	80.3
Textile machinery and parts.....	67.8	82.0	20.9	82.7
Typewriters and parts.....	67.5	81.3	20.4	83.4
Transportation equipment:				
Aircraft.....	77.6	98.9	27.4	99.7
Automobiles.....	96.9	114.2	17.9	114.4
Cars, electric and steam railroad.....	75.6	100.2	32.5	102.6
Locomotives.....	81.4	104.5	28.4	108.3
Shipbuilding.....	89.3	109.0	22.1	113.3
Nonferrous metals and their products:				
Aluminum manufactures.....	77.3	92.2	19.3	92.1
Brass, bronze, and copper products.....	77.7	99.4	27.9	102.6
Clocks and watches and time-recording devices.....	61.4	77.0	25.4	78.3
Jewelry.....	58.6	70.0	19.5	71.1
Lighting equipment.....	71.7	85.1	18.7	88.1
Silverware and plated ware.....	66.6	82.7	24.2	83.9
Smelting and refining—copper, lead, and zinc.....	71.8	89.4	24.5	92.2
Lumber and allied products:				
Furniture.....	56.5	67.7	19.8	67.0
Lumber.....				
Millwork.....	55.4	66.8	20.6	69.8
Sawnmills.....	51.0	62.0	21.6	64.6
Stone, clay, and glass products:				
Brick, tile, and terra cotta.....	58.7	70.0	19.3	71.3
Cement.....	70.9	80.6	13.7	83.7
Glass.....	77.2	83.5	8.2	84.0
Marble, granite, slate, and other products.....	72.3	77.7	7.5	77.6
Pottery.....	63.5	75.1	18.3	76.0
NONDURABLE GOODS				
Textiles and their products:				
Carpets and rugs.....	67.5	78.3	16.0	79.3
Cotton goods.....	41.9	52.8	26.0	53.1
Cotton small wares.....	50.3	64.6	28.4	66.4
Dyeing and finishing textiles.....	55.1	65.5	18.9	66.4
Hats, fur-felt.....	75.5	84.2	11.5	85.7
Hosiery.....	55.0	59.3	7.8	61.0
Knitted underwear.....	48.9	55.9	14.3	56.3
Knitted underwear.....	44.6	52.3	17.3	52.8
Knitted cloth.....	50.3	60.9	21.1	61.8
Silk and rayon goods.....	46.1	57.5	24.7	57.7
Woolen and worsted goods.....	57.6	71.5	24.1	77.0
Men's clothing.....	60.7	68.9	13.5	68.5
Women's clothing.....	55.3	60.8	9.9	61.7
Corsets and allied garments.....	49.2	57.9	20.1	58.0
Men's furnishings.....	42.2	51.8	22.7	52.6
Millinery.....	66.6	71.5	7.4	71.2
Shirts and collars.....	42.0	51.8	23.3	51.6
Leather and its manufactures:				
Boots and shoes.....	53.0	65.0	22.6	65.4
Leather.....	66.2	80.5	21.6	81.9
Food and kindred products:				
Baking.....	64.4	71.7	11.3	73.7
Beverages.....	89.8	97.0	8.0	98.9
Butter.....	49.5	55.6	12.3	57.5
Canning and preserving.....	51.0	61.6	20.8	59.7
Confectionery.....	51.1	59.2	15.9	60.6
Flour.....	60.8	68.7	13.0	70.9
Ice cream.....	63.9	69.5	8.8	70.9
Slaughtering and meat packing.....	68.1	80.0	17.5	80.1
Sugar, beet.....	77.2	89.9	16.5	89.6
Sugar refining, cane.....	65.0	72.9	12.2	74.3
Tobacco manufactures:				
Chewing and smoking tobacco and snuff.....	53.7	61.4	14.3	63.6
Cigars and cigarettes.....	49.3	55.8	13.2	56.8
Paper and printing:				
Boxes, paper.....	56.6	66.3	17.1	67.6
Paper and pulp.....	66.2	77.7	17.4	80.9
Printing and publishing:				
Book and job.....	81.0	86.6	6.9	86.6
Newspapers and periodicals.....	105.2	111.6	6.1	112.8

Footnotes at end of table.

TABLE A—Continued
[Compiled by the Bureau of Labor Statistics]

Industry	Average hourly earnings including overtime pay			
	Base period ¹	May 1942 (preliminary)	Percentage increase base period to May 1942	July 1942 (preliminary)
	(1)	(2)	(3)	(4)
NONDURABLE GOODS—con.				
Chemical, petroleum, and coal products:				
Petroleum refining.....	Cts. Cts. Pct. Cts.			
Other than petroleum refining:				
Chemicals.....	81.1	98.8	21.8	100.5
Cottonseed oil, cake and meal.....	34.2	73.8	13.5	39.9
Druggists' preparations.....	16.4	73.2	19.2	73.2
Explosives.....	84.0	99.0	17.9	99.7
Fertilizers.....	41.7	49.8	19.4	59.1
Paints and varnishes.....	73.3	85.6	16.8	86.5
Rayon and allied products.....	69.9	80.8	15.6	82.8
Soap.....	73.3	86.7	18.3	87.6
Rubber products:				
Rubber boots and shoes.....	63.9	75.2	17.7	75.5
Rubber tires and inner tubes.....	97.5	109.6	12.4	110.9
Rubber goods, other.....	63.4	78.0	23.0	79.4

¹ The base period is January 1941 unless otherwise specified.

² Base period December 1940.

³ Base period October 1940.

⁴ Base period September 1940.

⁵ Base period March 1941.

⁶ Base period April 1941.

⁷ April 1942.

⁸ Base period May 1941. Unpublished figures.

⁹ Base period May 1941.

¹⁰ Base period November 1940.

TABLE B

Same as above for coal mining:

	January 1941	May 1942	Percentage increase	July 1942	Percentage increase, 1941-1942
Anthracite.....	92.5	99.1	7.1	98.2	6.2
Bituminous.....	88.5	109.0	19.8	108.7	22.8

TABLE C

	January 1941	May 1942	Percentage increase between January 1941 and May 1942	July 1942 (preliminary)
Crude petroleum.....	88.5	99.4	12.3	99.6
Telephone and telegraph.....	80.4	82.8	3.0	81.5
Electric light and power.....	90.3	96.9	7.3	97.5
Street railways.....	73.1	80.0	9.4	81.6
Class I railways.....	71.4	80.4	12.6	79.6

The 79.6 figure under July 1942 was secured from June 1942.

Class I railways figures furnished by Interstate Commerce Commission. They are straight-time earnings. Would not then be directly comparable to average hourly earnings.

TABLE D

Census of nonagricultural workers, June 1942	
Total nonagricultural workers.....	41,415,000
Total hired nonagricultural workers.....	35,272,000
Manufacturing.....	13,146,000
Mining.....	851,000
Construction.....	2,073,000
Transportation and utilities.....	3,417,000

TABLE D—Continued

Trade, wholesale and retail.....	6,582,000
Finance, service, and miscellaneous.....	4,314,000
Federal, State, and local governmental.....	4,889,000

Mr. WILLIAMS. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, this is an appropriate time for the American people and the American Congress to be considering the question, How can labor do more, how can the farmer do more, how can the industrialist do more, to bring about a successful conclusion of this war with a minimum loss of human life? That is a question worthy of the best efforts of the American people. The soft and easy road is out of the window for the duration of the war. The test is not how little can we do but how much can we do for our country.

This bill has to do with the prevention of ruinous inflation. All Americans have ample cause to be disturbed about inflation. I know of no one who wants wild, runaway inflation in this country. Everyone wants some kind of equitable control, a control that will be fair to labor, fair to the farmer, and to industry and the public.

Mr. Chairman, I resent the efforts which have been made by some to make the farmer appear at this time to be Public Enemy No. 1. The farmer is deeply offended because his patriotism has been called in question and it has been made to appear that he is responsible for all the inflation ills which beset our people. This is so grossly unfair, so grossly untrue, that it is not inappropriate to take a moment to deny it.

In the September 16 issue of one of the Washington papers there appeared on the front page a very interesting cartoon.

There was pictured in a bed the farm bloc, represented apparently by a farmer. He was sleeping peacefully. Above him was a sign indicating that he was dreaming of dollars and fabulous riches. A clock on a table indicated that the hour of 12 was approaching. On one side of the bed Ambassador Grew was saying, "There's a war on, and we are in it for keeps." The farmer slept on. Mr. Nelson was shouting through a trumpet, "We are not winning the battle of production." The farmer kept on sleeping. General Hershey was ringing a bell and crying, "Every man has got to be a soldier," or something to that effect. Our great President was shaking the farmer and trying to arouse him. Underneath was the title of this cartoon, "It seems to be a case of sleeping sickness."

The cartoon was a clever piece of drawing, but it was a terribly unfair and untrue attack on the farmer. No; the farmer is not asleep. A thousand times no. As an indication of that I call your attention to the fact that the farm population has furnished a greater proportion of the men who fight in the front lines today than any other portion of our society.

I respectfully submit that with hard work and long hours the farmer this year

is producing more than ever before in his history. No; the farmer is not asleep. Others may be, but not the farmer. The farmer knows that our destiny is at stake, and he has produced with a vengeance and determination in order that he might furnish the food and the fiber for the winning of this war.

The farmer is not profiteering, and he must undoubtedly resent the implication that he is rolling in wealth when as a matter of fact he is having the fight of his life to survive and keep up the production goals of the Government.

There are many available figures which conclusively show that the farmer is not receiving his share of the national income—that the threat of inflation cannot be properly laid at the door of the farmer. The farmer represents about 22 percent of the population of the United States, but he gets only about 10 percent of the income.

Let me point out, in comparing industrial wages and farm prices, that farm prices are now 154 percent of the 1909-14 base period, the period used in figuring farm parity. But the earnings of factory workers are 409 percent of the same period. In other words, farm prices have advanced 54 percent during the past 30 years, while the earnings of the factory workers have advanced 309 percent, and are now at the highest level in the history of the Nation.

This further fact is interesting—and it was pointed out by someone in the discussion earlier in the afternoon—wages are now 38 percent above what they were in World War No. 1 while farm prices are 36 percent below what they were in World War No. 1. An additional fact is in point: A smaller percentage of the wages of labor is now required for the purchase of food than at any time during the past 30 years.

The farmer has been denounced because of the provision in the law passed sometime ago prohibiting the fixing of farm prices at less than 110 percent of parity. In fairness it should be pointed out that last January when the price-control law was passed the 110-percent provision was placed in the bill with the thought that this provision and the provision of law making an 85-percent-of-parity loan might tend to give the farmer, on the whole, a price of about parity for his products. Parity offers the farmer a modest minimum instead of a fancy profit as some uninformed people have concluded.

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I yield 3 additional minutes to the gentleman from Texas.

Mr. MAHON. The average farmer does not receive parity prices for his products, and he does not have a parity of income with the factory worker. All the farmer wants is a satisfactory balance between farm prices and industrial wages and a strong inhibition against war profiteering by industry. He does not want to see the inequalities of the past and the present perpetuated by regulation or by law. He knows that sacrifices are required—he wants an equality of sacrifice.

I am firmly of the opinion that the cost of hired labor on the farm should be taken into consideration in arriving at a proper price for farm products, in determining parity price so to speak. It sometimes costs a farmer one-third of what his product is worth to hire it harvested, and to say that this cost should not be considered in arriving at a fair price for the product is beyond my comprehension. Believe me, there is a very definite sense in which the cost of hired labor on the farm is affecting farm production. The farmer cannot pay high prices for farm labor without getting a better price for his product. Farm labor is rapidly leaving the farm and entering defense plants where much better wages exist. There are instances where one boy from the farm goes away to work on a defense project and makes more per week than his father and mother and brothers and sisters are able to make per month on the farm.

Labor is not being attracted to the farm; people are not being attracted to the farm; they are being siphoned out of rural communities and into defense work and industry.

What further proof does anyone need that farm income is inadequate and that the farmer is getting a disproportionately small part of the national income?

It would be a short-sighted policy which would deny consideration of the important question of farm labor because the food and fiber production program will break down if this element of cost in farm commodities is disregarded.

Let us never forget that victory on the battlefields will be impossible if laws are passed or regulations made which make it impossible for farmers to carry forward with their production program.

The farmer will not strike; he and his family will continue to work in the field under the blazing sun and in the bitter cold to win the battle of production, but a willing spirit is not enough. A sympathetic consideration of the problems of the farmer is important to the farmer, but it is even more important to the Nation and to the world.

(Mr. MAHON asked and was given permission to revise and extend his remarks.)

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, I am supporting this legislation, with proper amendments, which has for its purpose the control of prices, prevention of further inflation, and placing a brake on increases in the cost of living. I believe that the request of the President should be complied with and the necessary legislation enacted immediately so that a solution may be provided for this important problem facing us.

Production is one of the major activities going into our war effort. We are not only required to produce for the civilian population but we are the bread basket for the United Nations fighting by our side in this great struggle. In addition we are furnishing the tools of war, not only for ourselves but to a considerable extent to the nations fighting with us. In order to achieve full pro-

duction it is absolutely essential that the skyrocketing of prices be prevented. It is equally important that a stabilization of wages and farm prices be achieved. It cannot be done piecemeal. It must be handled as one complete undertaking. The legislation proposed in the President's message is designed to that end.

Unfortunately there are a number of factors entering the problem which require careful consideration. The rights of labor, those engaged in agriculture, the consuming public, as well as the Government itself in supplying its needs in the prosecution of the war, all enter into the problem. It is patent that we cannot by legislation lay down a hard and fast formula which will control completely all of these far-reaching factors. We must of necessity adopt a general formula controlling the problem and leave broad latitude and discretion to the President as Commander in Chief in the administration of the law.

For my own part, Mr. Chairman, I will give my support to the legislation to accomplish these ends.

(Mr. ANGELL asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. JONKMAN].

(Mr. JONKMAN asked and was given permission to revise and extend his remarks in the RECORD.)

FIRST THINGS MUST COME FIRST

Mr. JONKMAN. Mr. Chairman, a week ago in the well of the House I commented upon President Roosevelt's Labor Day message to the other body on price inflation in relation to farm products.

In my remarks attention was called to the inherent danger of the President's policy with respect to farm products. In his message the President stated that policy to be: First, to hold the line against inflationary price increases. Second, to get the production of necessary farm products.

I sought to establish the fact that this policy of putting first things second in the farm-products program was just as tenuous, flimsy, and just as dangerous as it had proved in the rubber-products policy.

The President's policy with respect to rubber was clearly, first, to restrict the use of rubber by the intricate, confusing, and paralyzing policy of national rationing of rubber and gasoline; second, to get the production of necessary rubber.

According to the Baruch committee report—and this was the President's own committee—had the President put first things first, and had he made any effort whatsoever to get the production of the necessary rubber, this could easily have been accomplished and we would not now be suffering from a rubber famine in which, as the committee states, "unless corrective measures are taken immediately this country will face both a military and civil collapse."

Several days after I called the attention of the House to the danger of our food situation, Secretary of Agriculture Wickard confirmed it. Secretary Wickard admits that the American farmer is deprived of his help by the muddled

draft-board situation, of his farm machinery by the War Production Board, of his fertilizer by the use of nitrates for munitions, of his insecticide by the war in the Dutch East Indies, and now the President threatens him with a measure enforcing production at less than cost.

I repeat, the President's policy with reference to farm products is equally tenuous and dangerous, as was his inexcusable and disastrous policy on rubber.

First things must come first if we are going to win this all-out war. If the administration will seek first and foremost to get the required production of necessary farm products and encourage plentiful production, price inflation of foodstuffs will be half licked. If, on the other hand, the administration loses sight of this task and fiddles around with price control and other artificial repressives, disregarding the cost of production, to the strangulation of production, price inflation will not only give the administration a licking but will result in dire scarcity of food and even famine.

The President in his message said:

Our experience during the last 4 months has proved that general control is possible, but only if that control is all-inclusive.

This is a specious statement and I am not convinced of its soundness. If the President means that general control of prices is not possible unless that control is all-inclusive, and no more, then, of course, we agree with him.

In other words, the President now wants the Gore bill. Or does he not? Ten months ago when the price-control bill was up in the House the gentleman from Tennessee [Mr. GORE] presented his substitute bill providing for all-inclusive control, fixing wages, and a ceiling of 100 percent of parity for farm products.

At that time 63 Members, including myself, voted for the Gore bill and tried to give the President what he now says he should have had. But at that time the administration would not listen to the good advice of the gentleman from Tennessee [Mr. GORE], and 218 votes, including the administration votes, were against it.

Had the administration listened to that advice, it would not have required "procrastinations," indecisions, conflict of authority, clash of personalities, delay and lack of understanding" or, in other words, "the experience of the last 4 months" to prove to it the folly of the price-control bill and the virtue of the Gore bill. The administration could have been 8 or 10 months on its way with the only bill that will work if, indeed, price ceilings alone can prevent inflation, which I doubt very much.

However, the President seems to go further than that. He seems to say that the experience of the last 4 months has proved that general price control will work if that control is all-inclusive. It seems to me this is far-fetched. I would rather believe that all that 4 months' experience proved to the administration is that general price control will not work without that control being all-inclusive. It may have proved this, but no more. At least I do not believe there are any convincing factual reasons in the Presi-

dent's message drawn from that 4-months' experiment showing that it will work.

Nor do I think it can be shown in the history of any nation that the imposition of price ceilings alone has worked out successfully. The inevitable result has been to strangle production, create further shortages, black markets, and final chaos, in which the wealthy survive and the poor perish.

That price ceilings alone will not solve the problem of both, production and inflation, is apparent if we give true significance to another portion of the President's message, which says "in regard to increasing the total of our food production, one of the worries that a farmer has to face is the shortage of labor for cultivating and harvesting crops." The irrefutable implication of this shortage of farm labor is that farm wages are high. And it is a well-known fact that farm wages are from two to three times as high as they were in the parity base period. Moreover it is claimed that the present 110 percent of parity provision, which is in reality a floor and an implied ceiling, is expected to do no more than to average parity for the farmer.

On the other hand, it will be admitted that industrial wages, to an even greater extent than farm wages, in contradistinction to farm prices, are now away above what they were in the base period. We can speak of uncontrolled farm prices and industrial wages chasing each other in a vicious inflationary circle, but with farm prices fixed at parity, causing the farmer to operate at a loss, what is the farmer expected to chase? Only his love of the farm and patriotism to produce for the war, even at a loss, will keep him there. Unless this is the case he will be chasing a job in a defense factory at several times the pay, and what will that do to farm production? And yet, that is what the administration policy is driving him to do.

I have never understood New Deal mechanics for the attainment of an objective, and here again I cannot see how the problem of production, which comes ahead of the problem of inflation, is going to be solved by an ultimatum to Congress which, in effect, says, "You fix farm prices by October 1 or else, and don't worry, I'll fix the price of wages." In this connection would it not inspire more confidence if the President had put a ceiling on wages and then asked Congress to put one on farm products?

And, anyway, without some proof that all-inclusive price ceilings will do the job, what is there to inspire confidence in the proposed corrective legislation? And is not this especially true in the absence of a provision fixing wages? There is nothing that the administration did not also advance for the price-control bill, which has utterly failed to control prices, while on the contrary it ruined thousands of small businessmen and created another terribly burdensome bureaucracy.

It seems to me that the President's message has a far different motive than to put ceilings on farm prices at 100 percent instead of 110 percent of parity, or something similar. Its purpose seems to

be, now that the administration price-control bill has been proven to everybody to be a total and miserable failure, to blame the Congress, beat Congress to the punch, and publicly spank it for this administration debacle.

In conjunction with the foregoing this becomes apparent when we examine other portions of the President's message, where he said:

In my message of 4 months ago I pointed out that in order to succeed in our objective of stabilization it was necessary to move on all seven points at the same time; but that two of them called for legislation by the Congress before action could be taken. It was obvious then, and it is obvious now, that unless these two are realized, the whole objective must fail. These are points 1 and 4; namely, an adequate tax program, and a law permitting the fixing of price ceilings on farm products at parity prices.

I regret to have to call to your attention the fact that neither of these two essential pieces of legislation has as yet been enacted into law. That delay has now reached the point of danger to our whole economy.

Without commenting on the delay on the tax law to which the Secretary of the Treasury has contributed as much as anybody else, the President blames the Congress for not giving him a law permitting a ceiling on farm prices at parity, something he would not take 10 months ago.

Then the President goes on to say:

However, we are carrying out, by Executive action, the other parts of the seven-point program which did not require congressional action.

Here he states that the other five points including, of course, point 3, stabilization of wages, he is carrying out by Executive action, in other words, a clean bill of health for his own efficiency in performing that part of the program.

But a few paragraphs farther on, the President contradicts himself by stating:

Our entire effort to hold the cost of living at its present level is now being sapped and undermined by further increases in farm prices and in wages.

Then at another point in asking Congress to stabilize farm prices he says:

At the same time that farm prices are stabilized, wages can and will be stabilized also. This I will do.

When will that be done?

Just what truth is sought to be established it is difficult to determine and yet only the truth can keep us free.

The President is embarrassed. In his fight against inflation he started on the wrong road 10 months ago when he spurned all-inclusive price control. Now he knows he is on the wrong road. Everybody knows it. The situation will not be corrected by blaming Congress for it. Threats to dispense with Congress and take over its functions by making the laws himself may divert attention, but will not cure the situation. Especially not a dictated 100-percent-parity price instead of a 110 percent of parity law. For nearly 10 years the country has sought to give the farmer parity prices as the basis of a sound national prosperity. The farmers' average prices are still slightly below parity. So the

parity-price problem is not of such an immediate danger as to call for heroics. In fact, the probability is that it will only lead us from one wrong road onto another, namely, that of famine, and, of course, in an opposite direction from our objective of winning the war. For Congress to supinely submit to such abdication and acquiesce in a second blunder by the administration, which is probably worse than the first, would not be patriotism but diametrically the opposite.

The people want price control but not at the cost of famine. They want Congress to continue as the lawmaking body. They want the President to win the war, using the best men, methods, and material available.

It would be in harmony with this will of the people, it seems to me, for Congress to amend the price-control bill by making it all-inclusive. However, ceilings and especially farm price ceilings, should be adjustable up or down in accordance with some standard that will insure cost of production and a reasonable profit so as to give the greatest possible assurance of a plentiful food supply.

The administration is charged with the conduct of the war. The people are rarin' to go, to get into unity of will and action, to win the war as quickly as possible. But so far they have been confused and lacked the inspiration that only organized and unified action in Washington could give to the direction of their thoughts and efforts.

For instance, they realize that the rubber situation is desperate. They realize that except for the synthetic rubber bill passed by the Congress in July, the administration would still be in chaos, with no intelligent unified effort toward the solution of this vital problem.

They hope that the appointment of William M. Jeffers will solve it. It is only by these close-ups that they can form a general concept of the mechanics of the war effort and there is widespread fear that the above-named example of lack of organized effort is characteristic of the general war program.

They feel that food supply is a vital element in winning the war; that providing this supply should not be left to the haphazard results of cross-purpose effort, conflict of authority, clashing of personalities, delays and duplications of the Department of Agriculture, the Food Requirements Committee, the War Production Board, and several other alphabetical agencies and bureaucracies, but should be an integrated part of the war program under a competent administrator with power and responsibility to guarantee a plentiful supply of food for military and civilian needs 1 or 2 years hence as well as for this year.

If we are going to win the war we must put first things first and under such a policy "to get the required production of necessary farm products" will be considered of far greater importance than to decide whether 100 or 110 percent of parity shall be paid for farm products, and we can do it only by placing this problem in the hands of a competent administrator with power to act.

Mr. MILLS of Arkansas. Mr. Chairman, I yield such time as he may desire

to the gentleman from Georgia [Mr. GIBSON].

Mr. GIBSON. Mr. Chairman, debate being limited on the measure now before the House, H. R. 7565, a bill to amend the Emergency Price Control Act of 1942, I am going to consume but very little time in discussion of the measure. I want to state emphatically that unless the measure is materially amended I shall vote against its passage.

There is no one more cognizant of the danger of inflation than I, and no one any more ready to enact legislation that will thwart inflation, but I do not expect to be a party to any discriminatory legislation. We are today facing our greatest crisis. Our Nation is passing through the most trying days of its life, and we are facing our hardest test. We, therefore, cannot permit ourselves to play any favors among our people. It is a day of sacrifice, and all must share equally in this burden. We must sacrifice to save the life of freedom and justice.

Under the bill as it now stands, the producers of farm products, turpentine, timber in its processed forms, such as cross ties and lumber, are so greatly discriminated against that the result of the application of the provisions of this bill will be to destroy the possibility of even normal production of these commodities, to say nothing about an increased production. Our armed forces and our civilian population must be fed, and, frankly, the farmers in my section of the Nation, sawmill men, and turpentine producers, are going to be forced to close shop unless the ceiling is placed high enough on their products to permit them to pay the prices they have been having to pay for labor and will have to pay under this bill. Farm labor cannot be had at a price that the farmers can afford to produce the necessary products for the successful prosecution of the war, which also applies to the producers of cross ties, lumber, and turpentine. I, therefore, shall be forced to vote against this measure unless amendment is allowed that will adequately protect the rights of this portion of our citizenry, who has in the past, and who will be expected in the future, to play a very important part in the progress of our war effort.

I thank you.

(Mr. GIBSON asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. MILLS of Arkansas. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Chairman, I wish to briefly point out a few pertinent facts. The farmers have been stripped of their labor, their sons, their implements, their fertilizer, and their tires. They face increased freight rates, which reminds me of a story where Pat said to Mike, "Why don't you put some more flesh on the bones of that poor, old horse?" Mike said, "He has about all that he can carry now." It seems that the farmers have about all the load they can carry. Furthermore, farmers have no representation on the War Production Board.

We should not pass any far-reaching legislation so hastily. In my opinion in-

fiation can be cured by abundant production and not merely by ceilings on raw farm products.

I desire to call your attention to two lines in the President's message. The President's message was headed, "Placing a floor under prices of farm products." I hope that this is done. It seems to me that the text of the President's message included some other things as well. The President's message of September 7 specifically directed that parity prices should include labor costs. I believe that such a provision is fair.

Another thing that has been overlooked in our debate here is the A. C. P. payment which is earned by the farmer. In my opinion the A. C. P. payment should not be considered a part of the farmer's parity income. He earns that and it should not be included as a part of his parity income in determining the price received for the products marketed.

In my opinion we should bring agriculture, labor, including unorganized labor, into a proper relationship and freeze all of them as of a definite date.

Before increasing wages to certain groups we must bear in mind the millions of teachers, clerks, laborers, especially unorganized laborers, the aged, and others with fixed incomes, or small businessmen, public officials, and ministers with fixed or dwindling incomes. They have not received increases in their pay and can never receive any increase in wages or income during the war. Every increase in pay of the others is taxed against those who cannot receive an increase.

I direct your attention to the fact that wheat is selling for 71 percent of parity, rye for 45 percent of parity, and barley for 61 percent of parity.

In my opinion a slight increase in cost in farm production cannot cause inflation, because we are spending \$6,000,000,000 a month on war expenditures alone, and the whole 1942 farm income will be only \$14,000,000,000.

The cost of living is not what endangers or threatens inflation, but purchasing power, which is being created for war purposes.

The production of cattle, hogs, and sheep is at an all-time high.

Some have mentioned the fact that the income of the farmer this year is the largest in history. This year is not the largest farm income year.

Many comparisons have been made with reference to the 1939 level of farm prices. In fairness to agriculture I desire to state that in 1939 the prices received for each of the farm products was the lowest in all times in the past 144 years except 1840 and 1896. At the same time industrial profits for 1941 and 1942 reached levels far greater than we ever dreamed. Industrial profits were 194 percent of 1939 profits.

Farmers have not carried their side of this to the people. The farmers have not had the money to use the radios, the editorials. If you would afford the farmers a little more time you would see their side of the picture. The farmers are rather meek; the farmers do not want any more than their share; they just want something that is fair. Above all, the

farmers desire that we win this war and win it quickly.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. HULL].

(Mr. HULL asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. HULL. Mr. Chairman, farmers and all other patriotic people earnestly desire to cooperate fully to win the war in which our country is engaged at the earliest possible moment and at the smallest cost of men and lives. The farmers of the Nation have demonstrated their loyalty to the cause by their record-breaking production for 1942. They are anxious to repeat that record for 1943 if they shall be permitted to do so. There is some question that they can do so because of conditions over which they have no control.

There also is a question as to whether this measure may not so seriously interfere with production as to bring on an acute shortage of food for our own people in 1943 which will also interfere with the absolutely essential supplies to Britain and Russia. Great as may be the dangers of inflation, in such a crisis they are less than that of failure of our farmers to produce the foods and fibers upon which victory in the war depends as fully as it does upon munitions and war equipment and facilities.

The serious situation as to the farmers is reflected in the greatest movement from the farms ever known, exceeding even that of the darkest days of the depression.

In my own rural county this week, 18 farm-auction sales are in progress. In the district I represent, farm-auction sales are averaging 100 per week. Those sales have been going on for weeks and will continue throughout the fall and early winter months. Milch cows and other dairy livestock are being sold at lower prices than obtained a year ago. Many cows also are being sent to the block. The disturbance of farming conditions in the dairy country is the greatest ever.

Not every farm auction means a vacant farm, but most of them mean that farmers are unable to proceed under present conditions. Some are retiring; others are moving off because they cannot obtain hired help, are unable to obtain farm machinery and equipment for carrying on, and are unable to make ends meet with prices of farm products at present levels. How many farms in Wisconsin will be vacant or unfarmed in 1943 is not known but estimates place the number at 10,000.

My own observations as to conditions and the movement of farmers away from farms are but part of the story. Not only from Wisconsin but from all other parts of the Middle West come the same stories of auction sales and of farmers closing out to move to town to obtain work and more lucrative returns for their labors.

The farms have contributed not less than one million fine young men to our armed forces during the year. More are going weekly. Millions more have responded to the call for men in industries and Government war projects. This

movement also continues and more and more farm sales are inevitable.

Commenting upon this unsatisfactory situation, Kenneth W. Hones, the able president of the Wisconsin Farmers' Equity Union, recently said:

On the basis of bumper crop records, loyal American farmers have met the challenge of this year's "vitamins for victory" program. Every farm home deserves the utmost praise for doing this job. However, agricultural production for next year will be a different story. We are fearful of the results.

This year's production goals were met in spite of an acute shortage of farm help. The record was accomplished because farm women and children jumped into the breach; and because of favorable weather conditions. However, there are many farm jobs which women and children cannot do; and the weather is something that even the Government cannot guarantee.

Reports are daily coming into this office which indicate that many farmers are placing their farms on the auction block this fall. Farm auction sales are becoming more prevalent now than during the depression period. Hones cited that in two Wisconsin communities 45 farms will be auctioned off in the next few weeks because farmers cannot see their way clear to operate next year.

Ralph Ammon, Director of the Wisconsin Department of Agriculture, issues a statement upon conditions, as follows:

American agriculture faces a crisis of a shortage of manpower to meet the goals of food production for 1943.

In Wisconsin this crisis will arrive within 90 days. In other States of the middle west, not later than spring.

Agriculture is losing manpower to industry and to the armed forces at a rate too rapid to permit any hope of maintaining agricultural output.

There is evidence that many dairy herds will be completely dispersed, some going to the butcher's block. Farmers cannot hire sufficient labor to keep dairy herds in production because they cannot pay wages sufficient to stop the rush of farm labor to industrial and defense plants. Likewise, creameries and cheese factories cannot hold their help.

Today many Wisconsin creameries and cheese factories by necessity are working employees 70 hours a week at half the salary defense-plant workers get for 40 hours per week. Farmers, likewise, are working 70 hours per week for a monthly wage equal to the wages of the defense-plant worker for a 40-hour week.

With ceiling on farm prices the farmer and the dairy plant cannot raise the price of their products, butter and cheese. Unless they increase prices, they cannot increase wages. Unless they increase wages they will lose their men. Then they cannot meet production goals.

This from-the-farm movement is general throughout the Middle West and possibly to a more limited extent in other States. The Prairie Farmer quotes the manager of the Illinois Pure Milk Association as follows:

"Our milk production for September will probably be down an average of 5 percent," says Art Lauterbach, manager of the Pure Milk Association. "All indications point to a continued decrease in production below a year ago because of the shortage of farm labor. All of the farmers are working too hard and the pace cannot be continued. The outcome will be the selling out of entire herds and in many instances a reduction in the number of dairy cows to the number that the farmer and his family can take care of. By next spring we will be talking about rationing dairy products."

From scores of sources and particularly from the leaders of national farm organizations comes the same warning of curtailed agricultural production in the face of constantly increasing demands, including those for an Army twice as large as we have at present.

Anxious as I am to support any measure deemed necessary to prevent inflation, any measure deemed necessary to help win the war, I hesitate to lend my support to the present measure. It proposes ceiling prices for farm products, and leaves without limit except by the taxation the great and growing profits of the large corporations, which, even after taxes, will exceed even the levels of those of the first World War.

City consumers and others seem to believe that the increased costs of living are due to farm prices. They are not advised that the farmers receive less than 45 percent of the cost paid by consumers. Milk in Washington sells at from 14 to 16 cents per quart, and in other eastern cities even more. Wisconsin dairy farmers receive only 4 cents per quart at cheese factories. Bacon is 45 or 50 cents per pound, while farmers receive 14 cents for pork. Cheese, for which Wisconsin farmers receive 21 cents per pound brings from 45 to 60 cents in city markets. Wisconsin poultry men receive 32 cents for eggs. In Washington markets they bring 58 to 60 cents per dozen.

Few people realize the spread of costs from the farm to city consumers. The list might be extended to many other farm products. City folks are led to believe that the high costs of food are due to exorbitant profits of farmers, while thousands of farmers are deserting their farms because they cannot make a living. There is much more to the high cost of living than farm prices.

This bill is indefinite. The President proposes to stabilize the cost of living, which affects farm folks as well as city people. This measure would fix prices on farm products at parity, but many farm products now are much below parity. Only 8 of 22 principal products are above parity.

The President mentions butter prices in particular. But this measure has features discriminating as to dairymen. Logically it would seem to increase the price of corn, for instance, by parity loans at 90 percent. Corn and oats are among the principal feeds for milk cows. Corn now is about 85 percent of parity. This bill would permit and probably provide an increased cost of 15 to 20 percent for such foodstuffs for dairy cattle. The ceilings on dairy products would hold dairy prices where they are. To fix butter prices at parity would mean a loss to farmers of from 4 to 6 cents per pound. Under circumstances which I have related such lowered prices would mean more farm auction sales, more dispersion sales of dairy herds, more cows going to the block. Instead of increased production of dairy products there would be an alarming decrease.

There is much emphasis upon "parity prices" for the farmers. Millions are misled as to what parity really means. They are told ambiguously that it places farmers on the same basis as industry.

But parity does not mean cost of production to the farmers. The formula does not include farm labor. It omits farm maintenance, including all the innumerable instances of costs of farm operation. This bill, unless amended, will continue the formula based upon farm prices from 1909 to 1914, which has long since become obsolete for fixing just parity prices.

Leon Henderson, in his statement before the Senate committee, stated that, were all farm prices to be fixed at parity—even the old outmoded parity—it would increase the total of farm income by not less than \$2,000,000,000. In other words, the farmers are now receiving \$2,000,000,000 less this year than they are entitled to under so-called parity. This bill would prevent that increase, or any increase, if it fulfills its purpose by his administration of it.

The food supply of a nation is far too important, especially at this time, to be threatened by hasty legislation. This bill supplanting the Steagall bill before the House Committee on Banking and Currency is said by newspapers to have been drafted and perfected by a group of members of that committee, some 12 in number. Included in the group are said to have been not less than seven from industrial centers whose general knowledge of farming conditions may be limited. It represents their views of "inflation" without consideration of the farm angle. It was their privilege, of course. It is my privilege, however, to insist that only farmers can produce the food supply needed by our own and allied nations, and under production of foods is just as great a threat to the city consumers as it is to the farmers and the Nation. Vacant and abandoned farms will not add to the food supply.

The Middle West produces 86 percent of the corn and oats, 77 percent of the wheat, 78 percent of the barley, and 94 percent of the soybeans raised in the United States. It produces 75 percent of processed dairy products and a like percentage of the meat supply. It is in that section that the exodus of farmers has reached alarming proportions. The effect of this added price control measure will be felt more largely there than in any other. There should be time to "stop, look, and listen" as to what that effect may be.

My own views seem to be confirmed by Pane H. Appleby, Under Secretary of Agriculture, who said in a N. B. C. broadcast at Chicago:

Although the Nation's farms this year produced more than they ever did before in all history, all factors pointed toward a decline in future output of foodstuffs.

This year farm production rose nearly 17 percent—

Appleby said on the University of Chicago round table broadcast—N. B. C.—

but this was because no other year on record has been as universally favorable to production.

Apart from the weather, the farm labor shortage is becoming increasingly acute and agricultural machinery will steadily decline in usefulness. War needs will also limit the available amounts of farmers.

Appleby said that prices of many commodities should not be based upon old farm parity levels because changing national needs and technological improvements in farming have made such a basis obsolete.

Mr. WOLCOTT. Mr. Chairman, I yield now to the gentleman from Wisconsin [Mr. MURRAY].

(By unanimous consent, Mr. MURRAY was granted leave to extend his remarks in the RECORD.)

PRICE-CONTROL FACTS—FOOD TO WIN THE WAR

Mr. MURRAY. Mr. Chairman, this second Price Control Act, like all legislation, must be approached from the standpoint of helping win the war. No man has a corner on this desire. The President is entitled to, and should have, our cooperation in controlling inflation.

If the slogan "Food will win the war" is of its announced import, we should make it our No. 1 business to produce food in abundance. There can be no inflation due to food prices if we have an abundance of the food. This problem cannot be approached from the angle of rectifying any agricultural injustices which have prevailed in the past. It is not so much a question of parity, of above parity, or of below parity prices as it is how are we best going to feed our armed forces and our domestic population and fulfill our foreign commitments for this food?

THE 1939-42 FOOD SITUATION

In 1939, after 7 years of the New Deal, we found agricultural prices at a low level—hogs, 5 cents; milk, \$1 per hundredweight or less; cheese, 11.7 cents per pound the first 6 months of the year; and other products priced accordingly. In 1939 we also saw the highest number of farms foreclosed in Wisconsin of any year in the history of the Federal land bank. You will note that the 1939 prices are often used to show the advance in food prices. Since 1939 we have seen agricultural prices gradually advance until the past few months, the total for all crops and products have hovered right around the 100-percent-parity mark. There has, however, developed a situation where some crops, like rye, is only 45 percent of parity, while a product like wool is up to 142 percent of parity. The following figures are as of August 15, 1942:

U. S. Department of Agriculture

Commodity	Bureau of Agricultural Economics, Crop Reporting Board, Aug. 15, 1942, with comparison		
	Base period, 1909-14	Parity price, Aug. 15, 1942	Actual price as a percentage of parity
Wool.....cents per pound..	18.3	27.8	142
Wheat.....cents per bushel..	88.4	134.4	71
Corn.....do.....	64.2	97.6	85
Oats.....do.....	39.9	60.6	70
Barley.....do.....	61.9	94.1	60
Rye.....do.....	72.0	109.4	45
Cotton.....cents per pound..	12.4	18.85	96
Potatoes.....cents per bushel..	113.8	108.1	107
Hay.....dollars per ton..	11.87	18.04	49
Flue-cured tobacco			
cents per pound..	22.9	27.9	121
Maryland tobacco			
cents per pound..	22.9	21.8	135

U. S. Department of Agriculture—Continued

Commodity	Bureau of Agricultural Economics, Crop Reporting Board, Aug. 15, 1942, with comparison		
	Base period, 1909-14	Parity price, Aug. 15, 1942	Actual price as a percentage of parity
Georgia and Florida tobacco shade grown			
cents per pound...	60.3	120.	166
Eggs.....cents per dozen...	21.5	31.7	102
Hogs			
dollars per hundredweight...	7.27	11.05	128
Beef cattle			
dollars per hundredweight...	5.42	8.24	137
Veal calves			
dollars per hundredweight...	6.75	10.26	126
Sheep			
dollars per hundredweight...	4.53	6.89	82
Lambs			
dollars per hundredweight...	5.88	8.94	135
Butterfat.....cents per pound...	26.3	38.0	107
Milk:			
Wholesale, dollars per hundredweight.....	1.60	2.38	106
Retail.....cents per quart...	6.8	10.3	113
Chickense.....cents per pound...	11.4	17.30	113

* 1941.

Please note that milk, wholesale, was 106 percent of parity and, retail, 115 percent of parity. Please explain how the producer can be held accountable for this 90-percent advance.

The following are the prevailing August prices to farmers as reported by Mr. Matt Wallrich for the Consolidated Badger Cooperative, of Shawano, Wis.:

	Per hundredweight
Milk for evaporated milk.....	\$1.85
Cheese (2.6 times twins).....	1.92
Butter (casein at 10 cents).....	1.75
Butter and animal food.....	1.98
Butter and human food roller.....	2.04
Butter and human food spray.....	2.13

As there are about 48 quarts in 100 pounds of milk you can see that this is about 4 cents per quart to the farmer. Do you really think 4-cents-a-quart milk will contribute to inflation? Should the producer be held wholly responsible for prices for services between the producer and the consumer? When the consumer pays 7 cents for a glass of milk for which the producer received 1 cent per glass, do you really think the producer is causing the inflation? Or do you think the 6-cent spread really needs attention?

THE PRICE CONTROL ACT OF 1941

The Price Control Act of 1941 was brought forth as the solution of the inflation problem. No doubt some food prices have been kept under control but the real facts are that the Federal purchases have had more control over the prices than most of us realize. These purchases in themselves have directly influenced the price of cheese to bring it from 17 cents per pound up to 24 cents per pound and then back to 21 cents per pound. Other food prices are similarly influenced.

ARE THE CONSUMERS BEING DECEIVED?

The public, after several months of the present Price Control Act, are told in the President's message of September 7 that Congress is responsible for the food

price situation. The facts are that Mr. Henderson and Secretary Wickard both asked for the 110-percent parity ceilings in the present Price Control Act, but there is no evidence to show that any effort was made to place or maintain this 110 percent of parity ceiling. Certain food products like beef and pork were allowed to attain a 128-percent parity price and a 137-percent-of-parity price, respectively, and wool went up to 142-percent parity price.

You ask why was not the 110-percent ceiling prices established? I cannot answer that. I do know I wrote Secretary Wickard on April 27 and said:

The parity price on hogs is about 10½ cents per pound. It appeared that a price ceiling of 12½ cents per pound was to be placed on them. This was 117 percent of parity the day of this announcement. The price of hogs has gone up to over 14 cents per pound and yet no ceiling has been established. As prices rise consumer resistance is encountered. The consumers have complained because no ceilings have been established on hogs. Why haven't they?

You can find the complete letter on page A1889 of the May 12, 1942, CONGRESSIONAL RECORD.

Here was an opportunity to follow the spirit of the Price Control Act and it was accompanied by the necessary legal authority. Now, frankly, why should anyone try to blame Congress for advances in food prices when they themselves had been given the law they testified would do the job of control and then failed to put it in operation? Was this really the right approach? I accept no responsibility for the failure after I went to the trouble to call attention to the conditions.

CONSUMERS AND PRODUCERS BOTH ASK THESE QUESTIONS

First. If the present administration would not and did not place the 110-percent-parity ceiling included in the Price Control Act what assurance have you that the same administrator will place a 100 percent ceiling, or any other ceiling, for that matter?

Second. What assurance has the housewife, who has not been able to find any beef on the markets day after day, when beef was a 137 percent of parity price, that she is going to have a supply when someone puts a 100 percent parity price ceiling on the beef?

Third. Why can the consumer of New York City complain about the cost of his vegetables as long as the producer has to pay a tribute of \$9 per truck load to go to the New York City market?

Fourth. Why allow the racket connected with "filled milk" to continue and why furnish tin for this purpose through the War Production Board? Tin for dog-food canning has been stopped. Why not for filled milk?

Fifth. Is it not a fact that factory pay rolls and dairy prices go up and down together, and that they have been doing so for years and years? Is it any surprise to see dairy prices advance when pay rolls reach the highest point in our history? How can one be controlled without the other, effectively and fairly?

SOME FACTS TO REMEMBER

The estimated national income in 1942 is \$110,000,000,000. The estimated national farm income is about \$15,000,000,000 for 1942. If the 30,000,000 rural people have a \$15,000,000,000 annual income they will have a \$500 per capita income. The rest of our population, or 100,000,000, will have a \$95,000,000,000 income, or a \$950 per capita income. When we legislate to put a ceiling on any one group, should it not apply to all groups, including ourselves, if we are going to follow the President when he asks for equality of sacrifice? No one wants to see the farmer or any other group profit out of war. The objective is to follow a program that will best assist the war effort.

The confusion and frustration which are so evident to the consumer and producer can only be accomplished by a change of attitude right here in Washington. Most people doubt that the present Administrator of Price Control could perform a very satisfactory service, regardless of the perfection of the act we might pass.

Many people think that this bill was brought out by the administration to cover up the mistakes of the Price Administrator, Mr. Henderson. Some of the agricultural forces here in Washington must substitute a "promotion-of-production program" to replace the psychology of a scarcity control that has influenced their teachings for many years.

If the producer had a little more assurance from Washington as to what he could expect for his product and if Washington would be careful to see that he received what he was promised, a needed element of stability would be added.

THE PRESENT PICTURE

Farm labor is not included in figuring parity. This farm labor is now 202 percent of the base period. When one produces milk he not only has the labor of producing the feed crop but he also has the labor involved in transforming the crop into milk. It is nearly impossible to find this farm labor at this time. They have joined the colors and entered defense plants in great numbers. The U. S. D. A. says 2,000,000 men have left the farms and that another million is expected to go. What is the result?

I have a letter dated September 19, 1942, from Mr. George Ruppel, manager of one of the country's largest dairy cooperatives, in which he says:

I suggest that you keep your eye on this very closely as production is dropping in the country faster than we have ever seen it before. We have 8 percent more patrons than we had a year ago and are getting 7 percent less milk.

I also have another letter from Mr. P. O. Peterson, of Manawa, Wis., master of the grange, who says:

So, instead of feeding the world, we will not be able to raise enough for our country alone.

Thousands upon thousands of farm auctions are being held because the operator does not have the labor to carry on. We were told last year that the suggested price-control bill would take care

of the situation. It evidently has not. Now we are being told that this is the answer. Someone should be doing a little forward thinking and less talking. Everyone wants to follow the administration but any thinking man is compelled to ask the direction we are going. The Baruch report on rubber is an example of the universal acceptance of a proposal because the public had confidence in the man who issued the report. There is no substitute for experience and we need it sorely, regardless of party, in the administration of these acts. In other words, what we need most is better administration of the legislation we already have.

With all the pictured horrors of inflation, each and every one of us must realize that starvation is much more to be dreaded than inflation. An abundant food supply is the best protection for our Nation. We have the millions of extra acres to produce it.

Please remember that if the present amendment is passed and the rules are enforced, we are very liable to see a further advance in food prices. If the loan rate on feeds is increased from 85 to 90 percent, will not the feed costs to the poultry, hog, and dairy producers really be increased 5 percent? Will not this further increase the prices for the very food products that the consumer is now having to pay from 128 to 137 percent of parity at this time?

This is no time to fear criticism hurled at the farm bloc. This is not a question of protecting a minority group. This legislation is of vital interest to every man, woman, and child in America. If we make it possible to furnish the abundance of food, we will have fulfilled our obligation.

Mr. MILLS of Arkansas. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Chairman, methods of warfare have been so completely revolutionized in the last 3 years as to discard in a large measure the basic principles of military tactics that have been recognized and followed since men first beat their plowshares into swords and their pruning hooks into spears. The outcome of this conflict turns on new weapons, new methods, new formulas, never used or dreamed of in any previous war.

But there is one fundamental military axiom which in all the welter of change remains unchanged. That is the fact that it takes food to win wars.

Food is still the most essential and the most indispensable munition of war. That is as true today as it was in the days of Genghis Khan. It takes food to win battles, it takes food to win wars. Food dictates the terms of peace and food maintains the supremacy of the conqueror and completes and enforces the subjugation of the vanquished.

The iron rule of the German administrators in Europe today—from Norway to Greece and from France to Ukrania—is maintained not by bayonets and machine guns but by food tickets. Acquiescence in the most oppressive measures is secured by the simple expedient of denial of rations. All hope of remobilization or resistance to unspeakable

tyranny and spoliation is blasted by controlled starvation. Strong and spirited men, nurtured from infancy on the imperishable doctrines of liberty and constitutional justice—men impervious to the lash and the imminence of execution—surrender home and family association and forge more securely the fetters of their masters in unrequited labor in alien treadmills in return for a daily morsel of food for themselves and their families.

I remember an historic meeting in this Chamber in April 1917, one of the most extraordinary sessions ever convened on this floor. At 12 o'clock midnight, a secret meeting, attended only by sitting Members of the House and the Senate, with no reporters present and with none of the employees of the House except the elected officials, was held in this Chamber. It was remarkable in many ways. It was the only meeting of House caucuses ever held here without newspapermen in attendance or waiting in the corridors. Whether they were advised of it I never knew, but, so far as I am aware, no mention of it ever appeared in any newspaper or magazine and no reference to it was ever made on the floor or in the CONGRESSIONAL RECORD.

Immediately following the declaration of war, April 6, 1917, missions from our Allies—England, France, Belgium, and Italy, and others—visited the United States; and after paying their respects to the President came down to the House where they were received, made speeches from the Speaker's rostrum, and were introduced to Members from the usual receiving line.

Shortly after the formal visit of the French Commission, members were notified, without resort to the mails or the telephone, to attend a confidential midnight meeting to hear a statement by the commission.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. MILLS of Arkansas. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. CANNON of Missouri. Mr. Chairman, prior to the declaration of war by the United States, we had been given to understand that our participation in the war on the side of the Allies was not urged with any view to the active participation of American troops but merely for the sake of the effect upon morale throughout the world and to secure closer economic cooperation and better access to our markets. But on this night a member of the French Commission, in one of the most stirring addresses I have ever heard delivered from that rostrum, said in effect that the Allies had reached the end of their resources; that they had been bled white; that they were fighting with their backs to the wall, and that it devolved on America to supply both men and munitions to win the war. He said that we must not only bring men, but we must bring with them everything they needed, especially food. That we must bring with us rails for the railroads, engines, cars, and all rolling stock, because theirs were worn out and they could not replace them. When he concluded the

members rose and walked away with bowed heads in stunned silence, appalled and staggered by the magnitude of the task ahead.

Once again it devolves upon us to supply both the men and the munitions to win the war. And farm products constitute the most important munitions on the list. The war cannot be won without the products of the American farm. Our farmers, veterans serving in the first line of defense on the home front, must produce enough for ourselves and our allies. We must produce for our own Army.

We must supply civilian populations at home and abroad. We must supply farm products in quantities of such unprecedented proportions as to stagger human comprehension.

Will this bill contribute to the efficient and assured accomplishment of this prodigious task? Will it sustain present production and bring about the increase in production required to meet war needs in both hemispheres?

Let us examine the visible effects of this legislation as now apparent in anticipation of its enactment. Already farmers are stripping feed lots, pastures, and cattle pens. They are rushing stock to market from every section of the livestock-producing areas to beat the reduction in price threatened under this bill. Cattle, hogs, and sheep are being shipped half finished, half ready, because farmers cannot risk feeding them another 30, 60, or 90 days and then having to sell them at less than current prices.

[Here the gavel fell.]

Mr. MILLS of Arkansas. Mr. Chairman, I yield the gentleman from Missouri 5 additional minutes.

Mr. CANNON of Missouri. As a result we are sacrificing not only huge quantities of choicest meat but the foundation herds which produce it, herds which have required years of scientific breeding to build up and which cannot be replaced on short notice, if at all.

They are preparing to ration beef and pork because of the inadequacy of the supply. And at the same time they are sacrificing millions of tons of beef, pork, and mutton which would be produced by herds, now being thrown on the market, if they would permit us to keep this stock long enough to finish it; long enough to put 100 to 300 pounds more on each steer and 50 to 100 pounds more on each hog, as we would do if it were not for the menace hanging above us in this bill and in the agencies which we know will administer it.

For, mind you, this bill will be administered by agencies which have never shown the slightest interest in the farmers' standard of living; agencies which have showered him—and him alone of all the workers in America—with mendacious abuse and vituperation when, under heaviest handicaps, he is working longer hours than any worker in the Nation—at the lowest wage paid any worker in the Nation, giving the most loyal service of any worker in the Nation, and producing more efficiently than any worker in the Nation.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. In just a moment; if the gentleman will permit me to conclude at this point.

We are not only losing products which we would otherwise produce, but we are losing those which have already been produced. Crops are rotting in the fields because, even at present prices, labor cannot be secured to harvest them.

Crops already made are not being harvested because, at current prices, they will not bring enough to pay a wage sufficient to draw farm labor away from war industries which have lured it from the farms. Industry can pay large wages because it gets a fair price for its products with the cost of labor figured in, but the farmer cannot pay high wages because, under this bill, you propose to so reduce the price of his product as to leave no margin for increased wages.

This war will not be won by this magnificent air power that we are developing, indispensable as it is. The war will not be won by guns or tanks or ships, as essential as they may be. This war must be won, if won at all, by farm products, and that is what you are legislating on today. You are legislating here as to whether or not you will make it possible or impossible for the farmers to produce in quantities sufficient to win the war.

[Here the gavel fell.]

Mr. MILLS of Arkansas. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. CANNON of Missouri. The farmers want to produce it. Men, women, and children are remaining in the fields from dawn to dusk trying to produce it, trying to make up by longer hours for the labor of which they are being deprived through lack of prices to pay increased wages. If you will let them do it, if you pay them enough to provide the necessary labor, they will produce every ton of food and fiber the war requires; but under this bill you are not even making it possible to maintain present production, much less increased production. That is what you are voting on this bill—that is the question you are deciding in drafting this legislation. If you vote for this bill as it is written, as it is presented to you here without amendment—to include the farmer's cost of production as you include every other producer's cost of production—you are voting to prolong the war and you are voting away certainty of early and perhaps complete victory.

[Here the gavel fell.]

Mr. MILLS of Arkansas. Mr. Chairman, I yield the gentleman from Missouri 5 additional minutes.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to my friend from South Carolina.

Mr. HARE. I gathered from the gentleman's very interesting and illuminating statement that he believes that in order to prosecute the war efficiently there must be decidedly increased production of farm crops.

Mr. CANNON of Missouri. Unquestionably. Present production alone will not do it.

Mr. HARE. As a matter of fact, would not an increased production propor-

tioned to the increased purchasing power of the country prevent inflation and solve both problems at the same time?

Mr. CANNON of Missouri. Obviously.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to my colleague from Missouri.

Mr. SHORT. The able chairman of the Committee on Appropriations has made a most excellent statement in which I wholeheartedly concur. I merely wanted to observe that I consider my colleague not only an outstanding parliamentarian, but one of the best authorities on agriculture and the best friend of agriculture in this House. I should like to ask him if it is not his considered judgment that we face a grave shortage of food within the next year unless the farmer is given equal protection with the wage earner of the country?

Mr. CANNON of Missouri. Beyond the peradventure of a doubt. The consuming public does not appreciate that fact as yet because we are crowding the marketing centers with stock which under normal conditions would be kept on the farm for herd purposes or for further fattening, but which are being rushed to market to beat the enactment of this bill. Even dairy herds are being sacrificed.

Here is an excerpt from a letter I received from Union, Mo., just as I was leaving the office to come to the floor:

A prominent farmer here was feeding 60 head of steers. They averaged 1,200 pounds, and he consulted his salesman at the stockyards. He was told to feed them longer and held them. The day after Secretary Wickard's speech steers dropped \$1 a hundred, and after the President's radio address they fell another dollar, entailing a \$1,440 loss to the feeder. A neighboring hog raiser who has been accustomed to sell at a weight of 225 pounds per head was advised to feed to a weight of 250 pounds and as a result took a \$600 loss.

You can understand the state of mind on the farm these days.

Dairy cattle are going to the abattoir in alarming numbers. The effects of this sacrifice of livestock will not become immediately apparent but in the future when the proponents of low farm prices begin to appreciate the situation it will be too late, it will then be irreparable and the country will understand what this loss means.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman no doubt noticed in the President's sixth report on lend-lease operations that the maximum dollars available are a fraction under 63,000,000,000 and that 18 percent of the shipments at least up to date have consisted of food products. I think this is worth noting at this particular hour on this floor. I want to ask the gentleman this question: Is it not true we can state there is a law which operates to the effect that the nearer the total population of a country becomes engaged in war the more catastrophic a slight error in finance and in the production and distribution of foodstuffs may become?

Mr. CANNON of Missouri. That is true, and the gentleman's remark calls to mind very forcibly the fact that in making their calculations those who propose this bill have taken it for granted that every farm year will be a full year, that we will have full production. We may have next year or in any year, as we have had for several years past, unexampled droughts or other catastrophes which will greatly reduce production. If we should have such a drought next year as we had 3 years ago, lack of food would become an acute problem.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Minnesota.

Mr. O'HARA. The gentleman will agree with me, I am sure, that there will be a falling off in production next year, even assuming we have good crop conditions, due to farmers being compelled to go out of farming operations because of help shortages, because of the effect of the draft, and that there will be a falling off of production on farms next year. Is not that true?

Mr. CANNON of Missouri. Unquestionably. I recently passed farms which were no longer in operation and was told that the owners of these farms, unable to secure help and dissatisfied with the cost of production as compared with the returns they were getting, had closed down the farms and gone to the city and secured jobs in munitions plants where they were making more than they would have made if they had stayed on the farms, working only about one-third of the hours per day they would have had to work on the farm, and having no financial responsibility, no capital invested, and no taxes to pay. Sweatshop conditions are not permitted in the city, but they are found on every farm. Child labor is prohibited in the factory, but it is the rule on the farm. And now that farm prices are being reduced 10 percent and factory wages raised 15 percent under this bill, is it to be wondered that men are closing down the farms and taking their families to the cities? It is the life of Riley in the city as compared to life on the farm as it will be under the administration of this bill.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. GUYER].

[Mr. GUYER asked and was given permission to receive and extend his remarks.]

Mr. GUYER. Mr. Chairman, it has always puzzled me why the farmer must always be the "goat" in war. The primary materials that feed and clothe armies are produced on the farms. No army, however well trained and equipped can fight without food which the farm and the farmer produce, yet, invaluable as is the farm and the farmer, his interests and welfare are among the last considerations toward which the Government directs its attention.

The farm not only furnishes the food and clothes which sustains armies, but along with the rest of the population it furnishes its share of the military manpower of the Army and Navy.

If the Government needs sites for its war industries it takes them from the farmers and never in all my experience, or within my knowledge, has the Government ever paid the farmer adequately for the land it has taken. Around this land and home twines the tenderest memories of his life. Often his departed parents settled on the land in the pioneer days of peace and there they lived and loved. The farmer was born and reared on this land. It holds memories beyond the price of gold. There he lived with his bride and here they too reared their families. Here they planned for their children who should, in turn, live and love and preserve the traditions of family and country. Then comes war, shod with iron fury, devoid of all sentiment except to destroy and the Government joins with this destructive force and with heartless cruelty elbows the farmer and his family off their beloved soil and chisels even on the price to be paid for that which to the dweller on the farm is beyond all monetary computation.

The farmer whose farm is not disturbed has his labor siphoned from him by the selective draft and by war industries with whose wages he cannot compete. His wife and daughters are compelled to go to the fields like men because of the labor shortage, and now the President and evidently the Congress, is going to discriminate against him in fixing the price of his products below that which will enable him to raise food and fiber to feed and clothe our armies and to support and feed the civilian population.

Between the racketeer and the Government the farmer is ground between upper and lower millstones so that along with the heartaches of the war his economic future is hopeless.

The President has demanded that we act on this price-fixing stabilization matter to prevent rampant inflation, or if we do not, then he will arbitrarily fix farm prices and wages for labor.

As I said a week ago, "The remedy is for Congress to assume its constitutional duty of fixing, through legislation, equitable prices and wages and giving the President no cause to assume dictatorial powers not authorized by the Constitution. Already there has been entirely too much of such usurpation."

Why cannot this Congress assert its constitutional powers and exercise them in doing justice to the farmer so that he can have justice in his prices comparative to those enjoyed by labor in its wages?

This House should insist upon the consideration of cost of farm labor in any measure to fix farm prices; otherwise the farmer will produce at a loss and the result will be that he will not produce; resulting in inevitable food shortage and delay in ending the war.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I have asked for permission for these few minutes this afternoon in defense of what I believe to be an unwarranted criticism against the farmers and producers of this country. They are being charged

through some sources of being the chief cause of inflationary conditions. Such is not the case. The farmer's case has not really been fairly presented. Farmers are just as deeply interested in the prevention of a spiral of uncontrolled prices as any other group in this country. Farmers know inflation will injure them just as much or more than any other group. Furthermore, the American farmers want to do everything they can to cooperate and help in bringing the war to a successful conclusion. They, with their families, are willing to work hard for long hours, and are glad to make any reasonable sacrifice that may be required of them that will help in winning the war.

Let me say again, the farmer does not want a runaway inflation, nor is he demanding or asking excessive prices for his products. All he wants is a fair price on the basis of what he is required to pay for the things he buys. The farmer and his wife and children are accustomed to working long hours, and are more than willing to continue to do it. The average farmer, as you know, works from 12 to 16 hours per day. There is a limit to the amount of work he can do.

Let it not be forgotten that farmers have contributed their full share of men for the armed forces. The American farmer has demonstrated his willingness to put forth his utmost effort to help his Government in this crisis.

Certainly inflationary prices should and must be curbed. We are late now in handling the problem, but I just do not want the man, who with his family, tills the soil and milks the cows and cares for the chickens and pigs, and who works from early morn until late at night, to be unfairly charged with creating a burden, or of taking advantage of the people of his country, especially at this critical hour.

The farmer is not profiteering. He gets much less than his share of the Nation's income. He does not complain about it. It costs an average of 52 cents out of the consumer's dollar to move the farmer's products to his table. On many items it is more. So the producer gets less than half of it. For example, my home-town paper this week quotes No. 1 eggs at 30 cents per dozen; Washington retail grocery stores quote eggs at 60 cents per dozen. Poultry in this local paper is quoted at 16 and 17 cents per pound; in Washington it sells for 50 cents per pound. Choice beef cattle on the hoof sold on the Kansas City market last week for an average of about 12½ to 13½ cents per pound. Beefsteak in the butchershops of Washington and New York were selling for 65 cents per pound. Of course, there are cheaper cuts, but they average about 40 cents and 75 cents per pound. You talk about parity prices and comparative prices. Let us look at that picture for a moment. The ceiling on wheat is \$1.48 per bushel on the Kansas City markets wheat is quoted this week at \$1.03 per bushel. The ceiling on corn is 98 cents. In my section of the country it sells for about 75 cents per bushel.

Now, let us compare these figures with those that were paid during the first World War, and I am certainly not advo-

cating those prices. During that period wheat, in place of selling for \$1 a bushel, sold for \$2.50 and as high as \$3 per bushel. Beef cattle sold as high as 23 cents per pound on the hoof and hogs sold on a comparative basis. Although labor costs are much higher to the farmer and machinery is much more expensive, the farmer is now getting about 60 percent of what he received for his produce during the first World War period.

It should be understood that when comparative prices are discussed the farmer's wages receive little consideration. The average is about 20 or 25 cents per hour.

Let me say again that I am not here pleading for great increases in prices, but I am here to take the side of the man who works long hours and long days in an effort to contribute his share in the war effort by providing food and fiber for the people of this country and our armed forces, as well as the armed forces of our Allies.

Mr. Chairman, the situation is extremely serious. The farmer just does not have the help to operate his land and harvest his crops. Right now he just cannot compete with other industries and get along. Let me remind you that because of the boys who have gone to war and because a number of farmers themselves have gone into war industries, there will be at least 25 percent less land in production next year. Furthermore, a great share of the remaining land will not be properly cultivated and handled. Let me remind you, Mr. Chairman, that if we should have a short crop next year, or a partial crop failure, there could develop a most critical situation with respect to our food supply. I think it is time for those in authority to examine the situation with respect to the needs and demands that are going to be made upon agriculture during the next year. It is planned, we are informed, that within a year there will be between 12,000,000 and 13,000,000 men in our armed forces. There are more than 2,000,000 people on the Government civil pay roll. We have millions of men and women employed in our war industries. Not only that, but we have already made commitments to allied countries to furnish food for their armed forces. Do you know that about \$750,000,000, or 13 percent of lend-lease funds so far this year was for food? The need for greater production of food is the greatest in our history. Let us not forget, food is a very essential war material.

Mr. Chairman, the production of food is a gigantic job—it is a most serious problem. I think it is high time that this question be carefully examined along with other war problems. We should see to it that every encouragement be given to help the farmer carry out the tremendous task he has before him.

Mr. Chairman, that our Government is spending about \$75,000,000,000 this year; and plans to spend \$100,000,000,000 next year, of which at least 75 percent will be borrowed, indicates very seriously the danger of inflationary conditions. I do hope we can escape such conditions.

Congress should deal with the problem of inflation now. It should have been dealt with months ago. It may soon be "too little and too late."

Mr. Chairman, let me say again, I am not here to plead for high prices for the American producer. I am here to ask that he gets a square deal along with other groups and professions, in the discharge of a most important obligation.

Mr. Chairman, we are living in a confused and bleeding world. Our very civilization is threatened. All Americans, in all groups and all professions, and men and women in all walks of life, must work together, and work harder, with a realization that it is for a common cause. Personal profits and personal gains must be secondary. The saving of our country and the preservation of the American way of life must be first and paramount.

Mr. Chairman, we have a tremendous task before us. It can be accomplished. America will win. She is bound to be victorious, but it will require "sacrifice and blood and tears" such as has never been experienced in our history. Let us work as we have never worked before. Let us pray that the day when victory shall be ours may not be too far away.

(Mr. REES of Kansas asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. LANDIS].

(Mr. LANDIS asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. LANDIS. Mr. Chairman, each day the part that food must play in the winning of the war becomes more apparent. American farmers may well be proud of the tremendous production of food and fiber indicated by the July crop report. They are meeting production schedules despite some labor shortages and unfavorable weather conditions. They will make 1942 a year of record production.

We must keep in mind that more food is being consumed by our people than ever before in history. We have our armed forces to feed at home and overseas. We must ship food abroad to our Allies. Our defense workers require more food. There is a demand on agriculture to produce more food, and with less labor with which to do so. With so many able-bodied men leaving the farm, much of the farm work will be done by women, young people, and older men. They cannot keep up the tempo of production. No laborer requires as widespread technical knowledge as the successful farm operator.

If we are to prevent a food shortage and keep the cost of living down for farm products, some method must be found to provide the farmer with enough labor to sow, care for, and reap his crops. It is impossible for the farmer to compete with defense industries on the matter of wages. An increase in farm wages to meet this competition would eliminate the farm profit or drive the price of the basic food commodities far above the present levels.

The demand for farm labor is the highest since 1920. The supply is 58 percent of normal. The average farm wage for the entire country is \$2.45 per day, rang-

ing from \$1.15 in South Carolina to \$4.85 in the State of Washington.

Farm organizations agree that the goals for agricultural production will not be reached in 1943 under present trends. There are two principal factors for this alarming condition: Namely, attraction to defense plants and the present application of selective service. In defense plants there is the patriotic appeal and the monetary consideration offered by attractive wages. Thousands of farm boys have answered their country's call to service. They march under the colors alongside boys of every other walk of life. We honor them. Our concern regarding each of these boys is the dwindling food supply to support their war front activities.

If the slogan, "Food Will Win the War" is the national slogan, then the rightful position of agriculture in this march to protect the American way of life must be established and made known.

There is little glorification in the milking of cows, plowing of corn, or the multitude of other tasks on the farm. There are no certificates of merit, no flags of recognition; and no medals for achievement have been awarded to American farm families. No group has accomplished so much with so little.

A continuation of the present policies and current trends will mean a food shortage in 1943. Thousands of dairy herds have been dispersed as a result of shortages in competent labor. Under the present trend, in a year from now 10 percent of our best dairymen will be out of business. Tomatoes rot in the fields today and soybeans and corn will remain in the fields unless something is done to remedy the situation. We have 19 percent less cattle in the feed lot today than we had a year ago.

American farmers do not ask for any special favors, but wish to do their part in producing the food to win the war. They also wish to have their just share of the national income.

Agriculture industry cannot operate at full capacity if the farmer is forced to produce his goods at a loss. He cannot stay in business any more than can a manufacturer in any other industry similarly situated. The American farmer has certainly demonstrated a willingness to give his utmost effort in this emergency. At the present time we are in danger of actually forcing him out of business by freezing prices at a point where he cannot possibly continue to operate.

In 1941 the gross farm income, exclusive of Federal payments was \$13,627,000,000. Production expenses including interest and taxes was \$5,938,000,000. Wages of farm labor—\$843,000,000. A return of 4 percent on the equity of all farm property was \$1,354,000,000 and compensation to farm family labor was \$421,000,000 and \$9,176,000,000 compensation to the 6,097,000 farm operators. The farmer's production cost was \$17,732,000,000 against the gross farm income of \$13,627,000,000. His income in 1941 was 76.9 percent of his cost. To be placed upon a comparable basis with industry and labor they should have enjoyed a 30-percent increase in income.

It is estimated that the farmer's share of the national income this year will be \$15,000,000,000. This figure would give the rural people on the average of \$500 per person, while the rest of our population would receive on the average of \$950 per person. If the rural people are to receive a fair share of our \$110,000,000,000 income this year, they will have to receive more than \$15,000,000,000.

Production expenses, interest, and taxes increased 13.4 percent this year over 1941. Wages to farm labor increased to 18.8 percent while on the basis of compensation to the farm operator which is equivalent to industrial labor's weekly wage. There is an increase of 21.6 percent while his total cost of production increased an average of 17 percent from 1941 to June 1942.

Another matter which we should bear in mind is that farm labor cost is not included in the computation of parity prices. In June 1942, the general average of farm prices of all farm products was approximately 99 percent of parity. Generally speaking, parity prices would enable the farmer to clear his production expenses and receive an average of \$6 per week. Eighty-five percent of parity would just about pay his expenses and he would work for nothing. Any ceilings of farm prices must be so adjusted as to enable farmers to meet the essential production costs. This ceiling must not omit farm labor.

Our best protection against inflation is abundant production. Lest we forget, past wars have been won by nations possessing the last loaf of bread.

Mr. MILLS of Arkansas. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. PACE].

[Mr. PACE addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I have listened to every argument that has been made on this bill on the floor of the House today. I am in complete accord with the sentiment that has been so very ably expressed by the gentleman from Georgia [Mr. PACE], who just addressed the House, the gentleman from Missouri [Mr. CANNON], and the gentleman from Texas, who spoke in the same vein. I believe the House will support the amendment that will be offered to include hired farm labor in the parity formula.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin (Mr. JOHNS).

Mr. JOHNS. Mr. Chairman, like my colleague from Wisconsin (Mr. KEEFE) I have listened with a great deal of interest to the debate on this bill. I am deeply interested in it because the President in his message of September 7 called particular attention to dairy products, in this language:

The greatest danger is in dairy products, which are, as you know, most important items in the American diet. Butter, cheese, and evaporated milk are exempt under the Price Control Act.

These items are no more exempt under that act than beef or pork. The great complaint I have heard is not about the price of cheese or butter but about the price of pork and beef, and the inability to get a good cut of either of these kinds of meat.

I say this only because the President seems so alarmed about the increase in the price of cheese and butter, that it may cause inflation in this country, but I agree with my colleague from Missouri that when any class of people represent 25 percent of the people of the United States and get only 10 percent of the national income there is no great danger of inflation from that class of people. That is the situation with the farmer.

I recall that during the first World War I hauled my milk to the cheese factory and received a dollar a pound for my butterfat. Last month I received 55 cents a pound for it. I do not see any danger of inflation with cheese at the price it is now, about 22½ cents a pound.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. JOHNS. I yield to the gentleman from South Carolina.

Mr. HARE. There would be danger of inflation in view of the statements made today that a large number of dairymen are going out of business, as a result of which there would be an actual reduction in the production of cheese, butter, and so forth. With this decreased production and an increase in purchasing power, would not inflation naturally follow?

Mr. JOHNS. The fact that people are going out of the dairy business is the reason I think there will not be any lowering of the prices of dairy products.

Mr. HARE. Certainly, there will not be.

Mr. JOHNS. No.

Mr. HARE. But the production will be so limited that inflation, so far as that particular product goes, will naturally follow.

Mr. JOHNS. You do not need to worry at all about farm products causing inflation in this country. If there is any inflation caused here, it is going to be from the borrowing and spending of money without any control of it by taxation.

Mr. HARE. I am not worrying about farm products causing inflation, because I am satisfied the gentleman from Missouri [Mr. CANNON] is correct when he says there is absolute necessity for increased production in order to prevent inflation. Inflation comes only when the production of farm products is not commensurate with the purchasing power of the public, and anything that reduces the productive power of the farmers naturally would tend toward inflation.

Mr. JOHNS. Yes; I think that is true. I do not think there is any question about that, but I have a different view of what the President said here than some of you have expressed on the floor here. I may be mistaken. The President may know more about this than I think he does, but if so he did not express himself very well. He said here:

After all, parity is, by its very definition, a fair relationship between the prices of the things farmers sell and the things they buy.

Calculations of parity must include all costs of production, including the cost of labor. As a result, parity prices may shift every time wage rates shift.

I do not believe that a large percentage—in fact, I think a very small percentage of the people of this country, including the farmers, understand that the labor cost of production is not included in their parity formula; and it may be that the President, when he made that statement, did not have that in mind, because he follows this up and says:

The farmer, instead of looking forward to a new collapse in farm prices at the end of the war, should be able to look forward with assurance to receiving a fair minimum price for 1 or 2 years after the war. Such a national policy could be established by legislation.

Then he says:

In computing parity, we should continue to use the computations of the Bureau of Agricultural Economics made under the law as it stands today.

He was talking about farm products and he was not saying anything about industrial products. He was talking about farm labor and he was not talking about industrial labor. So I think when the President made that statement he did intend that the farmer should have the cost of his labor figured in as a part of the cost of parity, and I agree with the gentleman from Georgia [Mr. PACE], if the President wants to be fair, and I think he does, he is going to put that into the formula when he figures the price on farm products, and puts the prices into effect.

Here is something that the President said, and I will say very frankly it shows that somebody was well informed, and probably the President was himself from traveling through the country, although I do not believe he has had much time for doing that. He says:

In regard to increasing the total of our food production, one of the worries that a farmer has today is the shortage of labor for cultivating and harvesting crops. The time is soon coming when in many parts of the country we shall have to use seasonally the help of women and grown young people. I feel certain the Nation will cooperate wholeheartedly.

Probably 50 percent of my district is farming, and as I drive around to see some people in the district whom I have not been able to see for some time on account of my duties here in Washington, I have noticed particularly that the women were at work helping in the harvest fields. I saw them even threshing and helping to haul in the grain, and on one of my own farms I was unable to hire anybody that would come to the farm and work because, as everyone knows, they are all engaged in shipbuilding up there. I hired a boy who was 8 years old, another one 10 years old, and another 16 years old to do the work with the men I have on my own farms, and, by the way, I was helping some myself. So I know what the conditions are on the farms today.

The President or somebody connected with the Department of Agriculture and the Selective Service must correct this

condition or you are going to have a shortage of food in this country. Take it up in my own district. You cannot hire a man on the farm, even when he is not doing anything else, for less than \$5 a day. He can go to the shipyards, a short distance away, and he can get \$1.20 an hour after he has been there for a few months and he even starts in at 65 cents an hour, and then the pay is increased up to the extent I have stated. I have another farm on which I have a man employed, and he has always been a good man. This year he has not been as efficient. I talked to some other people who had men on their farms working for them, and they say that this year labor is inefficient because they can get such higher wages in the shipyards that they are becoming discontented and as a result they are not farming these farms efficiently because they are not getting the amount from the farms they would get if they were getting the wages which they feel they are entitled to. So when the contracts are up, the chances are that these men will say that they cannot work for this wage and will have to have increased wages, which, of course, farmers cannot pay with present prices for their products. They will then go into the shipyards.

I do not believe anybody has put this into the RECORD this afternoon, but here is what some of the farm organizations think about this bill.

They say in the following telegram as follows:

WASHINGTON, D. C., September 21, 1942.
Representative JOSHUA L. JOHNS,
Washington, D. C.:

The responsibility for the future food and fiber supply of the Nation must rest squarely upon the shoulders of those who deny the farmers the opportunity to meet the costs necessary for maximum production.

In the opinion of the undersigned, whose members produce most of the food and fiber raised in this country, amendments to the pending price-control bill, which will make mandatory the inclusion of all farm-labor costs in establishing farm-price ceilings, are necessary to protect the Nation's food and fiber supply. We strongly urge that you support such amendments. The danger of inflation is far greater from uncontrolled wages than from farm prices. Industrial wages are 38 percent above first World War peak, while farm prices are 37 percent below.

EDWARD A. O'NEAL,
President, American Farm
Bureau Federation.

ALBERT S. GOSS,
Master, the National Grange.

H. E. BABCOCK,
President, National Council of
Farmer Cooperatives.

CHARLES W. HOLMAN,
Secretary, National Cooperative
Milk Producers Federation.

So, Mr. Chairman, I hope this labor amendment when it is offered will be passed and put into this bill. I do not think it will make much difference because the Secretary of Agriculture during this summer, with the facilities he has, with the Commodity Credit Corporation and the Refiners Corporation, and the other agencies that he has for use, has been able to control the price of butter and cheese to a large extent. You will find the butter price has not varied much and you will find that cheese has

been practically at parity all of this summer.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. MILLS of Arkansas. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. HILL].

[Mr. HILL of Washington addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Chairman, I think the gentleman from Missouri [Mr. CANNON] hit the nail on the head exactly. I have been out in my district for 60 days. I have traveled approximately 1,800 miles there since the Labor Day speech, listening to farmers. They are being sacrificed every day, and for the last 30 days they have been selling livestock prematurely, flooding the market because of this price-control agitation. The Government is losing food, too, because half-fat livestock is shipped. That is losing food for the Government and it is losing money for them. This stir about the prices of farm products is ruining them right now. The farmers do not have any confidence in the President of the United States in dealing commensurately with labor and agriculture if he is given the power which this bill proposes to give him. They tell me, "Go back and see that you pass something yourselves." They read in the President's message on Labor Day an attempt to put the House of Representatives and the Congress of the United States over along where they put the Supreme Court—emasculated. They want us to fight dictatorship, too. They are just as much interested in that as anything else.

Everything is emergency. It was the same thing that happened in every act that led us into this war. Every act was an emergency about this or that. There was no emergency about this any more than has existed for 6 months. But men are afraid of being purged. They are going to vote for this and hope for the best. They are afraid of somebody or something, and election is coming along. There is not going to be anything done before November 3 if he is given these powers in the time limit set by the ultimatum. That is my prediction. But the effect of hanging prices in the balance will be to lower farm prices without any positive act of the President.

One thing more: At the close of the President's speech he said that automatically these powers which you give to him revert to the people at the end of the war. You know that all of our acts giving the President power were under an emergency that can only end with the Congress and the President agreeing on when it shall end. The war does not automatically end any of the dictatorial powers, and that statement at the close of the message proves to me that he was thinking about more power as much as he was about controlling the prices of farm commodities. More power is on Franklin Roosevelt's mind. If the Congress wants to end the emergency and he

vetoed the bill, it takes two-thirds of each House to override the President's veto and end emergency.

I challenge any lawyer or anybody else here to substantiate the statement that automatically those powers that we are giving him end with the cessation of war. They do not.

Many of you say you are for the Fulmer Amendment but what are you going to do if you do not get it?

I am going to vote against the bill because it is not fair and nothing will be done with it. If the power is given to Franklin D. Roosevelt to handle labor and handle the farmers commensurately, nothing will be done. It will not be done at least commensurately, and he will not do it before election at least, because a Democratic House hangs in the balance. We are headed for a labor dictatorship.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. DITTER].

(By unanimous consent, Mr. DITTER was granted permission to revise and extend his remarks.)

Mr. DITTER. Mr. Chairman, today, as probably never before in our history, the American people are painfully conscious of the confusions and uncertainties of Government action and inaction. Those confusions and uncertainties run the whole gamut from whom will be called for selective service to the temperature of our homes during the coming winter.

I am afraid the bill now before us adds further confusions and uncertainties to those with which our people are now wrestling. If the purpose had been to load the measure with loopholes it could not have been done in better style. As I contemplate the probable confusions and uncertainties growing out of this measure, two Executive orders appear to me to be pertinent to the debate on this bill. Most of you will remember that on September 9 the President issued an Executive order with reference to the payment of double time for Sunday work.

That appeared in the Federal Register of September 11. A very considerable amount of fanfare attended the issuance of that Executive order. I have here a copy of the press release that went out of the White House announcing to everybody that the Executive order had been issued doing away with penalty double-time payments for Sunday work. All of us understood that that Executive order was the measure by which payments were to be made or not to be made for work in industrial establishments. But a more significant Executive order appears in your Federal Register of today. I find that under date of September 17 the President by Executive order directs that the Executive order of September 9 shall be amended to read as follows:

All Federal departments and agencies affected by this order shall refer to the Secretary of Labor for determination questions of interpretation and application arising hereunder. In any industry or occupation in which the Secretary finds that a wage stabilization agreement approved by a Government department or agency is operating satis-

factorily, or in any industry or occupation in which the Secretary finds that the nature and exigencies of operations make such action necessary or advisable for the successful prosecution of the war, the Secretary may determine that any or all of the provisions of this order shall not apply to such industry or occupation or to any classes of employees therein.

No fanfare attended this change. In fact, I understand no release was issued. A veil of secrecy was thrown around the delegation of authority to Madam Perkins to say whether the original order shall or shall not apply.

In this bill now before us we are faced with very much the same condition as has arisen as a result of this Executive order. Throughout the whole bill we are faced with a delegation of authority. The President is permitted to do as he will to correct "gross inequities." There is no measuring rod as to what "gross inequities" are. There is no method established by which "gross inequities" are to be determined. What may be gross or otherwise is in the realm of uncertainty. Madam Perkins may be the referee. Everything is conjectural and nebulous. If this is what Congress wants to do, then let it be frank enough with the American people and tell them so. I think David Lawrence has summarized what this bill does in a very forceful way.

I quote from David Lawrence as he referred to this rescinding of the special order of September 9 by the directive of September 17. Said Lawrence:

The simplest way to have written the order—

And I paraphrase by saying, "The simplest way to write this bill"—

The simplest way to have written the order in the first place might have been as follows:

"On and after October 1 the President will fix any and all wages in America as he pleases, union contracts or agreements to the contrary notwithstanding, and he will delegate the power to anybody he pleases."

If that is what we want to do in the way of the delegation of authority, let us be mindful of those words of Justice Cardozo, when he said in connection with the N. R. A.:

Vagrant and unconfined.

With this evidence of vacillation on the part of the President before us, as we find an Executive order of one day materially changed by a subsequent order a few days thereafter what can we anticipate if authority such as this bill contemplates is granted? It seems to me that we owe a duty before making this delegation to inquire what can be looked forward to as a Presidential policy. What does the record show as to the President's attitude on factors entering into the cost of living? True, he has made a speech which seeks to convey the impression of concern, and in which the Congress is charged with the blame for the inflation already so painfully apparent. But I have seen nothing which convinces me that he has departed from inflationary influences.

The change in the Executive order, to which I have referred, seems to indicate that some strong influence made itself felt, an influence sufficiently strong to

persuade the President to change his course within a few days of his original decision. Are we to assume that these influences will become impotent by the passage of this legislation? If they were assertive before the positive action of the Congress in delegating authority is it not reasonable to be apprehensive and fearful that they will become more assertive after the specific delegation? Will our uncertainties and confusions be increased or diminished under this bill?

Again, Mr. Chairman, I cannot dismiss from my mind the latitude allowed the Secretary of Labor in the amended Executive order. It seems to me to open the door to favoritism on the broadest possible scale. Will the same latitude be available to the Secretary of Labor or to some other selected individual to determine what gross inequities are? Will such latitude lessen or increase the possibilities of inflation? Does the record give us any assurance whatever on this point? What may be gross inequities to one person may be a totally different thing to another person. What may be equitable to one chancellor may be repugnant to the conscience of another chancellor. What may appear to be gross to one may possibly be inconsequential to another. What is the measuring rod, and who shall establish it with a finality which will not permit of further confusions and uncertainties?

There are those who claim that the President should be given the power because of the war—that the President has inferred that he already has the power, and that the responsibility should be his to solve the problem. If we have come to this pass, we should make it clear that the Congress is not chargeable with the consequences which I fear will come.

Were I convinced that wildcat inflation—the spiral of ascending living costs—would be checked in this way, I would depart from my long-established opposition to the delegation of authority to the Executive without well-defined limitations. I have sounded warnings against the dangers of inflation long before price controls were attempted. I am profoundly impressed with the threat of inflation before us. I believe we should resort to any reasonable suggestion which comes within the bounds of the Constitution, and which has a foundation in common sense, and which we believe holds out a hope of success. But I find it difficult to dismiss from my consideration the record as it has been written by those in charge of the Government. I hope we can avoid a sham and a hoax which will plague us in the future and which will be a snare and delusion for our people. I hope amendments will be adopted to remove the doubts.

In his message to the Congress and the country on Labor Day, the President declared that it is impossible to keep any prices stable—farm prices or any other prices—if wage rates, one of the most important elements in the cost of production, continue to increase. The unfortunate thing is that it took the President so long to come to this conclusion. Many of us here in the House made the same point more than a year ago. We insisted

at that time that the price-control program as then outlined, and as it has since continued to operate, was a snare and a delusion. It was nothing more than a camouflage, an extravagant and exceedingly expensive camouflage, which has deceived millions of Americans, which has autocratically imposed a rationing system on our people and which has opened the door to dictatorial methods and procedure. We have been paying the bill for the maintenance of a colossal anti-inflationary machine employing thousands, and all the while the spiral of inflation has been moving steadily upward every day. If the President's statement on Labor Day was sound, and I believe it was, then it would have been equally sound more than a year ago. Surely the American householder, the American purchaser of food and clothing and every other commodity included in the family budget, knows how costly the delay has been; how much it has cost him to defer until this late date reaching a conclusion which common sense dictates and which common honesty requires. The conclusion is so obvious that some reason must have prompted the unwillingness to reach it at any earlier day. Those of us who took this position more than a year ago are vindicated today.

Try as it will, and despite the careful construction of the President's message implying as it did that the fault was with the Congress as a body, the administration cannot escape responsibility for the rising costs of living. Many of us in the House tried to get some degree of certainty on factors involved in this problem long ago with no success whatever. Instead of a definite, fixed, and determined policy, the administration has resorted to vacillation and to expediency. For a time it appeared the farmer was to be favored. Then, as public opinion shifted the policy was changed. The advances of the earlier day became a disdainful disregard. In the meantime, the President and the administration encouraged a continuing friction by refusing to make any attempt at stabilizing wages. "One of the most important elements," to use the President's words, in the perplexing problem was carefully avoided. Even now the President does not indicate how this element will be dealt with if left to his determination. If the past record in this respect is to be taken as an indication of what may be anticipated in the future, then the menace of inflation, already moving at a breakneck speed, will continue its joy ride of destruction. Viewed in any light, we cannot escape the conclusion that the policy of the administration has been to keep an eye perpetually on the ballot box.

I believe the average wage earner knows what is in store for him and for all of us if this price spiral is allowed to go on unchecked. I believe he realizes that he has been made the innocent sufferer of a system which has exploited him—which has sought to impress upon him a pretentious concern for his welfare—which has sought to barter for his favor, and which has permitted a few men to gain a mastery over him. I be-

lieve he is aware of conditions which face him when, instead of wages in terms of purchasing power, the attempt is made to mislead him with wages in dollars of increasingly dubious value. And I am persuaded that he senses the danger of being made the pawn of political strategists.

The plain truth of the matter is that the unattractive formula of "blood, toil, tears, and sweat," has been side-stepped. We had better face it courageously and with conviction. I believe the rank and file of the wage earners of the country are willing to face it. Some of their leaders may not be. But by far the vast majority of the wage earners has adopted the slogan of working to win and it has set itself against the economic fallacy of controls which have been established. "Blood, toil, tears, and sweat" have nothing in common with the New Deal policy of holding "political trenches."

The surprising thing to me, Mr. Chairman, is that the administration clings to its course of half-way measures with such persistency. I have the impression that the American people have become much less credulous than they were; that they are demanding all-out endeavors; that bland promises mean little, that they want results. As I see it, no matter what form this legislation may ultimately take, it will not relieve us of the threat of inflation unless other measures are taken. With the country doing a boom business in war work, inflationary policies adopted in the days of depression are continued. How can we have an effective safeguard against inflation with inflationary powers uncontrolled and unconfined? How can we have an effective safeguard against inflation when our dollar is one of fluctuating value? Today it is a 59-cent dollar. Tomorrow it may be something different. The cheaper the dollar, the dearer the goods we buy. How can we have an effective safeguard against inflation if \$3,000,000,000 in greenbacks can be put in circulation at any time? How can we have an effective safeguard against inflation with a silver-purchasing power on the statute books? The answer to these questions is crystal clear. With these powers as they are, there can be no assurance against inflation, no assurance of stability.

No better statement on this subject could be made than the one made in the Federal Reserve report to the Congress almost 2 years ago when it sounded the warning that—

In the period that lies ahead a secure monetary system is essential to the success of the defense program and constitutes an indispensable bulwark of the Nation.

These were the closing words of a report which urged the determination of the President's power to devalue the dollar, the withdrawal of the power to issue \$3,000,000,000 in greenbacks, the discontinuance of monetizing foreign silver, and the repeal of the power to issue silver certificates against the seigniorage on silver purchases. As long as we have a trapeze dollar, we are bound to have trapeze prices.

Mr. Chairman, I believe we should tackle this problem of inflation as a whole,

and not on a piecemeal basis. It is a single problem. It should be dealt with as such. It is on this basis that the people must deal with it. We should do the same. It is a responsibility which we should not attempt to avoid, a duty we should not shirk. To do this may take courage. To do less invites the charge of cowardice.

(Mr. DITTER asked and was given permission to revise and extend his remarks.)

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, the provisions of this bill have been so well and thoroughly discussed this afternoon that I hesitate to take any time; however, since I come from the heart of Iowa—the district I represent is in the very heart of the Corn Belt—and since I was recently home and talked to many farmers in that district, I will make a few observations.

One of the first questions asked me when I talked with these farmers was, "What are we doing in the war effort? Are the people in the East and particularly in Washington aware that there is a war on?" They were very much concerned about it. Before I went home I read in the local papers that the people of the Middle West and in my own State of Iowa were complacent. I found just the opposite to be true; I found that they were very much awake out there—willing to make sacrifices in any way necessary in order to win this war, no matter what it is. The only thing they requested was that they be treated equitably with all other branches of industry and with everybody else in our country. I found my own State leading per capita in the purchase of War bonds; I found it leading per capita in voluntary enlistments in all of the armed forces. I found the people there very much awake. If anyone tells you the people of the Middle West are complacent, they just do not know what they are talking about.

In connection with this bill I was concerned with several questions that were asked me—asked in fact by practically every farmer I talked to—and that was with regard to feeder cattle or feeder calves. We produce more beef for the market than any other State in the Union, but most of it is purchased from Texas and other States as feeders and fattened on the farms of Iowa before it is sent to the market. They were concerned that any additional legislation take into consideration in computing parity the cost of feeder calves because they have had to pay more than parity for the feeder calves. If after they fatten them they have to sell them at parity, they will be operating at a loss, and they told me frankly that they could not do it, that it would put them out of business; yet they realize the necessity of beef for the war effort, that it is more necessary today than ever.

Next, we have the labor situation on the farm. The only place the farmer can get labor is on the farm. I found that the people out there had tried getting workers from the cities, but they

were not satisfactory. In fact, the farmers had to let them go. They were of less value than nothing at all, because it took too much time to teach them what they needed to know to farm in order to be of any value. People who have been raised in the city and who have lived in the city all of their lives cannot be transplanted to the farm and be successful farm workers overnight. Therefore, what was the situation? Every farm family in Iowa has at least one son in the Army, some many more. So they have not to exceed 50 percent of their normal help left. In addition, the hired help has gone into the Army or war industries. We have a munitions plant in my district. They have left the farms for the higher wages, with the result that there is only one way the farmer can get labor to carry on to harvest this year's crop and continue next year if we are to have foodstuffs next year, as we have now, and that is by going into the open market and competing with war prices in war industries. This he cannot do unless in the computation of parity by the Secretary of Agriculture the cost of this labor is taken into consideration as will be proposed by the amendment which, as I understand, is to be offered tomorrow.

Mr. JOHNS. Will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Wisconsin.

Mr. JOHNS. Did the gentleman have any contacts with those who had been on the W. P. A. and who had been offered jobs on farms?

Mr. CUNNINGHAM. Yes. I talked to farm people who tried to get W. P. A. workers to come out and work on the farm. They experimented with them, but they were not successful. They had been on W. P. A. work too long.

Mr. JOHNS. I found in my own district that men who were driven off W. P. A. by the Administrator or by the Director and were offered jobs on farms refused to take them because they could get more pay in the city.

Mr. CUNNINGHAM. I also found that to be true.

I am concerned about the ceiling for parity and the floor for parity that was touched upon by the gentleman from South Carolina, the distinguished chairman of the Committee on Agriculture. I think he made it clear that if we have loans up to 90 percent of parity, then have the ceiling at 100 percent, the 90 percent will ultimately result as parity. There is an old economic law that I was taught in school many years ago and that is if a merchant has 10 pairs of shoes to sell and has 11 people to purchase them, it is a sellers' market and he can demand a price. But if he has 11 pairs of shoes and only 10 purchasers, it is a buyers' market and he will have to sell at the buyer's price. That is the law of supply and demand. When we place the ceiling at parity, then place the floor at less than parity, at 80 or 90 percent, we are penalizing the farmer in this manner: We are taking away from him the advantage of the sellers' market and giving to him at the same time all of the detriments that accrue to the farmer when it is a purchasers' or buyers' market.

This bill should fix a floor of parity as well as a ceiling of parity. That is what the farmers in the great Middle West are concerned about. They are as much if not more concerned about the floor as they are about the ceiling. Who would it hurt if we had a floor of parity as well as a ceiling of parity? It might put the Board of Trade at Chicago out of business. Who else would it hurt? The Board of Trade at Chicago, speculating in farm products, particularly food during the war, has done more damage to not only our farmers but to all our people than any other one institution. This for the duration would do away with that.

Mr. TREADWAY. Will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentlemen from Massachusetts.

Mr. TREADWAY. Will there be an amendment offered, favorable to the farmer, establishing both a ceiling and a floor?

Mr. CUNNINGHAM. I do not know whether the gentleman from South Carolina is going to offer such an amendment or not, but as I interpreted his talk today it meant just that.

Mr. JOHNS. Does not the fact that the parity price here shall be fixed by the Secretary of Agriculture fix a floor on farm products?

Mr. CUNNINGHAM. Yes; but we do not know what the floor is going to be.

Mr. JOHNS. It is fixed by the Secretary of Agriculture at parity.

Mr. CUNNINGHAM. I understood the gentleman from South Carolina to say that it would be a 90 percent floor and the ceiling would be 100 percent.

Mr. JOHNS. That is the loan. The bill provides:

(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner); or

(2) The highest price received by farmers between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials);

Mr. CUNNINGHAM. If there is a surplus, and there is apt to be quite a surplus this year, then the farmer will be forced to go to loans, and that will make the floor 90 percent of parity instead of 100 percent.

[Here the gavel fell.]

(Mr. CUNNINGHAM asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to revise and extend the remarks which I made today.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. Wolcott]?

There was no objection.

Mr. MILLS of Arkansas. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair,

Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. LEWIS. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. SABATH] be permitted to revise and extend the remarks he made today on the rule.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

HOOR OF MEETING TOMORROW

Mr. COOPER. Mr. Speaker, I ask unanimous consent that when the House adjourn today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Calendar Wednesday business in order on tomorrow be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a speech made by me.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. FISH. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on the rule today and to include therein a letter from one of my constituents.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PACE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this afternoon and to include therein certain tables, resolutions, and reports.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Columbia Daily Tribune.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

[The matter referred to appears in the Appendix.]

STOCKHOLDERS' PROXIES FOR HOLDING OF CORPORATE MEETINGS

The SPEAKER. Under a previous order of the House, the gentleman from New York [Mr. MARTIN J. KENNEDY] is recognized for 10 minutes.

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to insert in my remarks a communication from the Securities and Exchange Commission and a short article from the New York World-Telegram.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARTIN J. KENNEDY. Mr. Speaker, I wish to bring to the attention of the House a condition which, in my opinion, is deserving of our immediate consideration.

I refer to a proposal apparently advanced by the staff of the Securities and Exchange Commission making much more difficult the obtaining of stockholders' proxies for the holding of corporate meetings and the imposition upon all subject corporations of greatly increased burdens in making financial reports.

In communicating the proposal to so-called interested persons for comment under cover of a form letter, mailed the latter part of August, and copy of which I now ask permission to insert in the RECORD, the Assistant to the general counsel of the Commission states that: "The Commission itself has taken no position as to these suggestions of its staff, and asks for comment by the interested persons before September 15."

I have no doubt that such comment was invited in entire good faith and that the invitation conveyed was accepted by many "interested persons" in reliance upon the statement that the "Commission has taken no position as to these suggestions." Nevertheless, we find that the Chairman of the Commission, in a speech at St. Paul on September 3, twelve days before the deadline on the solicited comment by "interested persons," describes the entire proposal as having the approval of the Commission; and on the deadline date, September 15, the Commission released to the Dow-Jones news-ticker service the statement that the Commission is expected to promulgate the new rules "in the next couple of weeks, probably between October 1 and 15."

I am informed that the corporations at which these new requirements are aimed state that it will be physically impossible to obtain and prepare by the required time the multifarious financial data which would be made part of the statements to accompany the notices of stockholders' meetings and the proxies; and in this difficulty the loss of experienced personnel who have gone into the armed services plays a large part.

The act creating the Securities and Exchange Commission was framed in the Committee on Interstate and Foreign Commerce of which I am a member. We have every reason to be proud of that act and of the great good which has been accomplished under it.

I have no criticism to make now of the proposed new rules and requirements.

They are drastic, controversial, and multifarious and it is only because they are so that I seriously question the advisability of bringing them up at this time when our every effort should be to increase the production for this all-out war. Any controversial proposal, unless related to the war effort, should be deferred.

There is probably not much information called for by the proposed rules and requirements which has not been or which will not be given to the Commission by the corporations and made available by the commission to the public and, in fact, published in the financial manuals and in the newspapers. All stockholders who are really interested can obtain full information from these publications or from the Commission.

The new rules would add greatly to the number of reports, returns, and statements of an official nature which are now required and to which are now added the reports to the War Production Board, the War Labor Board, priority reports, salvage reports, tax returns, reports to the Price Administration, and innumerable others. We must remember that as demands for these reports and statements increase, the available personnel to prepare them is rapidly shrinking due to their induction into the armed forces and Government service.

It seems to me that if any addition be made to the long list of reports and statements now required by the Government, it should have a distinct, direct, and helpful bearing on our war effort and should strengthen our hands for victory. If it does not do this, then common sense and even our national safety demand that it be deferred until the war ends.

The following is a brief summary of what has occurred to date in connection with proposed changes of proxy rules. Please note the dates of statements and press releases:

First. Original letter written by Mr. Freeman on August 25 stated the proxy changes had been presented to the Commission by its staff; the Commission itself had taken no position as to the suggestions but had authorized their circulation to interested persons for comment. The letter urged that comments be submitted before September 15.

Second. On August 28 the Commission released an announcement providing for the amendment of the financial instructions in the instruction book for Form 10-K which would indicate that the changes were based on the adoption of the suggested changes in the proxy regulations with respect to the form in which the annual report must be submitted to stockholders, and so forth.

Third. On September 4 Chairman Purcell in a speech made at St. Paul outlines the proposed revisions and gives them the approval of the Commission, which is contrary to the statement in the letter dated August 25.

Fourth. On September 15, the final day of the period during which comments were to be received, the Commission released a statement over the Dow Jones ticker that it expected to promulgate the new rules governing the solicitation of proxies around October 1.

77TH CONGRESS
2D SESSION

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 23 (legislative day, SEPTEMBER 21), 1942

Ordered to lie on the table and to be printed

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. CLARK of Missouri to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, viz: Strike out all after the enacting clause and insert in lieu thereof the following:

1 That in order to aid in the effective prosecution of the
2 war, the President is authorized and directed on or before
3 November 1, 1942, notwithstanding the provisions of any
4 other Act, to issue a general order stabilizing prices, wages,
5 and salaries affecting the cost of living, and such stabilization
6 shall be on the highest levels which existed between January
7 1, 1942, and September 15, 1942.

8 SEC. 2. The President may, from time to time, promul-

1 gate such regulations as may be necessary and proper to
2 carry out any of the provisions of this joint resolution, and
3 may exercise any power or authority conferred upon him
4 by this joint resolution through such department, agency, or
5 officer as he shall direct.

6 SEC. 3. (a) No employer shall pay, and no employee
7 shall receive, wages or salaries in contravention of the regu-
8 lations promulgated by the President under this joint reso-
9 lution. The President shall also prescribe the extent to
10 which any wage or salary payment made in contravention
11 of such regulations shall be disregarded by the executive
12 departments and other governmental agencies in determining
13 the costs or expenses of any employer for the purposes of
14 any other law or regulation.

15 (b) Any person who willfully violates any regulation
16 promulgated by the President under this joint resolution re-
17 lating to wages or salaries shall, upon conviction thereof, be
18 fined not more than \$1,000.

19 SEC. 4. The provisions of this joint resolution, and all
20 regulations thereunder, shall terminate on June 30, 1944,
21 or on such earlier date as the Congress by concurrent resolu-
22 tion, or the President by proclamation, may prescribe.

77TH CONGRESS
2^D SESSION

S. J. RES. 161

AMENDMENT

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. Clark of Missouri to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

SEPTEMBER 23 (legislative day, SEPTEMBER 21), 1942
Ordered to lie on the table and to be printed

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 23 (legislative day, SEPTEMBER 21), 1942

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. NORRIS to the joint resolution
(S. J. Res. 161) to aid in stabilizing the cost of living, viz:

- 1 On page 2, after line 6, insert the following: "*Provided,*
- 2 That rates charged by any common carrier or other public
- 3 utility on September 15, 1942, shall not be increased with-
- 4 out the consent of the President: *Provided further,* That this
- 5 joint resolution shall not be construed as affecting the power
- 6 or authority of any Federal, State, or municipal authority or
- 7 agency to reduce prices, rates or charges subject to its
- 8 jurisdiction."

AMENDMENT

Intended to be proposed by Mr. Norris to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

SEPTEMBER 28 (legislative day, SEPTEMBER 21), 1942

Ordered to lie on the table and to be printed



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 77th CONGRESS, SECOND SESSION

Vol. 88

WASHINGTON, WEDNESDAY, SEPTEMBER 23, 1942

No. 161

Senate

(Legislative day of Monday, September 21, 1942)

The Senate met at 12 o'clock noon, on the expiration of the recess.

The Reverend Howard Stone Anderson, D. D., minister, First Congregational Church, Washington, D. C., offered the following prayer:

O God, our Heavenly Father, we stand in Thy presence and acknowledge our dependence upon Thee. Thou has set our feet in a large room, but we pray that Thou wilt fortify us with strength and enlighten us with wisdom.

Help all the men and women in our armed services to bear their hard tasks with strong courage and devotion. Bless their dear ones and the homes which they have left. Give each and all, at home and abroad, the faith that they cannot drift beyond Thy love and care.

Lead us as we legislate for our Nation. Guide the President of these United States and all who are in positions of authority and responsibility in these fateful days.

May we make Thy cause our own, and in that spirit we pray for an early and complete victory. Help us to defend the weak, to free the oppressed, and to work and wait for Thy kingdom and Thy peace.

We ask it for Thy name's sake. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, September 22, 1942, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 2686. An act to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin-American republics in military and naval matters";

S. 2698. An act to make transportation and storage facilities available for military use where military necessity exists, by authorizing the removal to other points of merchandise in customs custody; and

S. 2747. An act to authorize a reduction in the course of instruction at the United States Military Academy.

The message also announced that the House had passed the bill (S. 2670) to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing State and Territorial military forces with such arms, ammunition, clothing, and equipment as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

H. R. 6362. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929;

H. R. 6401. An act to amend section 7 of the act entitled "An act to incorporate the American War Mothers," approved February 24, 1925 (43 Stat. 966; title 36, sec. 97, U. S. C., 1940 ed.);

H. R. 7235. An act to amend the District of Columbia Emergency Rent Act;

H. R. 7399. An act to increase the penalty for indecent exposure in the District of Columbia;

H. J. Res. 271. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1942, General Pulaski's Memorial Day for the observance and commemoration of the death of Gen. Casimir Pulaski; and

H. J. Res. 344. Joint resolution authorizing extensions of time for filing return of capital-stock tax in 1942.

PETITIONS AND MEMORIALS

Petitions, etc., were presented and referred as indicated:

By Mr. GUFFEY:

Memorials, numerous signed, of sundry citizens and organizations, all in the State of Pennsylvania, remonstrating against the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor in the vicinity of military camps and naval establishments; ordered to lie on the table.

A petition of sundry citizens of the State of Pennsylvania, praying for the enactment of Senate bill 860, to prohibit the sale of alcoholic liquor in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. VANDENBERG:

A resolution of the Allegan County (Mich.) United States Department of Agriculture War Board, favoring the fixing of a definite classification relative to induction into the armed forces of key farmers and farm labor under the Selective Service System so that the unsettled conditions of farm planning may be relieved with the assurance that key farmers and key farm labor will be allowed to produce the basic agricultural commodities necessary for the successful prosecution of the war effort; to the Committee on Military Affairs.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RADCLIFFE:

S. 2796. A bill to amend the Coast Guard Auxiliary and Reserve Act of 1941, as amended, so as to enable Filipinos to qualify for service thereunder; to the Committee on Commerce.

By Mr. REYNOLDS:

S. 2797. A bill to authorize decorations for services rendered during World War No. 1; and

S. 2798. A bill to amend Article of War 52 to delegate additional authority in reference to court-martial sentences; to the Committee on Military Affairs.

STABILIZATION OF THE COST OF LIVING—AMENDMENTS

Mr. BROOKS and Mr. NORRIS each submitted an amendment, and Mr. CLARK of Missouri submitted an amendment in the nature of a substitute intended to be proposed by them, respectively, to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, which were severally ordered to lie on the table and to be printed.

DEFERMENT OF CERTAIN EMPLOYEES

Mr. TYDINGS. Mr. President, it will be recalled that in the course of the investigation made by a special subcommittee of the Committee on Appropriations, of which I was chairman, facts were adduced showing that about 1,000 men under 26 years of age had been deferred from military service, because they

were indispensable in the positions they were holding in the Federal Government. This seemed to be such a rather unusual cause for deferment at that age that the subcommittee directed me, as chairman, to take the matter up with General Hershey, the Director of Selective Service, and ask for a restudy of these thousand cases. I think that finally, in order to save time, we reduced the number of cases to 891, and up to the present 681 of them have been restudied, resulting in the ending of the deferment and, in most cases, the incorporation of the men into the military service, or they are about to go in, if they are not actually in.

I received a reply from General Hershey, dealing with the subject of these deferments, and since it is not long, I shall read the letter for the information of the Senate and of the country. It is as follows:

NATIONAL HEADQUARTERS,
SELECTIVE SERVICE SYSTEM,

Washington, D. C., September 21, 1942.

Hon. MILLARD E. TYDINGS,

Chairman, Subcommittee on Inquiry in
re Transfer of Employees Under Senate
Resolution 223, Committee on Appropria-
tions, United States Senate.

Subject: Report on Investigation of Selective
Service Classifications of Certain Federal
Employees.

DEAR MR. CHAIRMAN: I wish to refer to your letter of June 16, 1942, in which you requested this headquarters to investigate the classification of certain governmental employees who are registered under the Selective Training and Service Act of 1940.

In investigating these cases, we have first requested the governmental agency concerned to furnish a report, setting forth certain statistical information desired, together with the reason for making the request for deferment. This has now been completed.

Following this, the State directors of selective service having jurisdiction of the registrants were requested to obtain a report from local boards concerned, furnishing the same statistical information as a check, and in addition, setting forth the reasons for granting the request. Upon receipt of this information, this headquarters intends to make a complete check of the cases, in order to determine what, if any, action should be taken.

Up to the present time we have received information from the States on 681 of the 891 cases which your committee referred to us. Of this number, 170, or approximately 25 percent, are now in class I-C, as being members of the armed forces. In 101, or approximately 15 percent of the cases, the deferment granted has expired, and the classifications are now under consideration. In all likelihood the majority of these cases will be classified in class I-A, as available for military service.

Sixty registrants are definitely in class I-A, available for induction; 14 are in class I-B, available for limited military service; and 5 are in class IV-E, conscientious objectors available for assignment to work of national importance.

This makes a total of 350 registrants who are either in the armed forces, or in all likelihood are available for induction at the present time. This shows a percentage of approximately 51 percent of the 681 cases on which investigation has been completed, out of the total of 891 which were referred to us by your committee.

This large percentage of registrants either in the armed forces or available for service has in all probability been occasioned by two factors: First, the original deferment granted having expired, the local boards are of the opinion that no further deferment is war-

ranted; and second, the general tightening-up process, due to the fact that this country is now in a state of war, whereas at the time deferments were originally granted, registrants were called for training, and only in a limited number. From casual observation of the remaining cases in which deferment has been granted, it would appear that the vast majority of these is warranted. However, a careful check will necessarily have to be made before a definite conclusion can be reached.

As soon as a complete report has been received and a study made, we shall be very pleased to advise you of the complete results of our investigation.

Sincerely yours,

LEWIS B. HERSHEY,

Director.

Mr. President, I read this letter, not that the investigation is completed but because there have been many inquiries from the press as to what was happening with these 891 deferred Federal employees. It now appears that a restudy will result in most of the deferments not being continued and that the men will be inducted into the armed forces of the country.

STABILIZATION OF THE COST OF LIVING— ADDRESS BY SENATOR WAGNER

[Mr. BROWN asked and obtained leave to have printed in the RECORD a radio address on the subject of the stabilization of the cost of living, delivered by Senator WAGNER on September 21, 1942, which appears in the Appendix.]

ADDRESS BY SENATOR SMATHERS BE- FORE NEW JERSEY STATE DEMOCRATIC CONVENTION

[Mr. HILL asked and obtained leave to have printed in the RECORD an address delivered by Senator SMATHERS on September 22, 1942, at the Democratic State convention at Trenton, N. J., which appears in the Appendix.]

SPEECH BY R. K. CHRISTENBERRY AT HOTEL EZRA CORNELL, ITHACA, N. Y.

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a speech by R. K. Christenberry, vice president and general manager, Hotel Astor, New York City, delivered at the Hotel Ezra Cornell, Ithaca, N. Y., which appears in the Appendix.]

THE PRESIDENT'S LABOR DAY SPEECH— EDITORIAL FROM THE MISSOURI FARMER

[Mr. CLARK of Missouri asked and obtained leave to have printed in the RECORD an editorial entitled "The President's Speech," published in the Missouri Farmer, of Columbia, Mo., issue of September 15, 1942, which will appear hereafter in the Appendix.]

HAS THE LITTLE FELLOW A CHANCE?— EDITORIAL FROM THE RALEIGH (N. C.) NEWS AND OBSERVER

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an editorial entitled "Has the Little Fellow a Chance?" published in the Raleigh (N. C.) News and Observer of September 6, 1942, which appears in the Appendix.]

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

The VICE PRESIDENT. The pending amendment is the amendment of the Senator from Oklahoma [Mr. THOMAS] to the committee amendment on page 4, beginning in line 3.

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Pepper
Andrews	Guffey	Radcliffe
Austin	Gurney	Reed
Bailey	Hatch	Reynolds
Ball	Hayden	Rosier
Bankhead	Herring	Russell
Barkley	Hill	Schwartz
Bilbo	Holman	Shipstead
Bone	Johnson, Calif.	Smathers
Brewster	Johnson, Colo.	Smith
Bridges	Kilgore	Spencer
Brooks	La Follette	Stewart
Brown	Langer	Taft
Bunker	Lee	Thomas, Idaho
Burton	Lodge	Thomas, Okla.
Butler	Lucas	Thomas, Utah
Byrd	McCarran	Tobey
Capper	McFarland	Truman
Caraway	McKellar	Tunnell
Chandler	McNary	Tydings
Chavez	Maloney	Vandenberg
Clark, Idaho	Maybank	Van Nuys
Clark, Mo.	Mead	Wagner
Connally	Millikin	Wallgren
Danaher	Murdoch	Walsh
Davis	Murray	Wheeler
Downey	Norris	White
Ellender	Nye	Wiley
George	O'Daniel	Willis
Gerry	O'Mahoney	
Gillette	Overton	

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] is absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW], the Senator from Mississippi [Mr. DOXEY], and the Senator from Virginia [Mr. GLASS] are necessarily absent.

Mr. McNARY. The Senator from New Jersey [Mr. BARBOUR] is necessarily absent.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

The LEGISLATIVE CLERK. It is proposed to add the following new paragraph on page 4, at the end of line 13:

For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

Mr. THOMAS of Oklahoma. Mr. President, I desire to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. The yeas and nays were ordered on this amendment yesterday. Does the order still hold good for today?

The VICE PRESIDENT. The order holds good for today.

Mr. LUCAS obtained the floor.

Mr. REED. Mr. President, will the Senator yield for just a moment?

Mr. LUCAS. I yield.

Mr. REED. At 9 o'clock this morning, in company with my colleague the senior Senator from Kansas [Mr. CAPPER] and the entire Kansas delegation in the House of Representatives, I visited the Secretary of Agriculture on a second visit in 2 weeks. We have been discussing the farm labor situation in all its critical phases. We filed with the Secre-

tary of Agriculture a statement signed by all the members of the Kansas delegations in both Houses of Congress, and I ask unanimous consent to have the statement inserted in the RECORD at this point in my remarks.

The VICE PRESIDENT. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SEPTEMBER 23, 1942.

HON. CLAUDE R. WICKARD,
Secretary of Agriculture,
Washington, D. C.

MY DEAR SECRETARY: Unless immediate and continuing provision is made to insure necessary labor and machine equipment for American farms, a food shortage that will cripple the war program and threaten the stability of the Nation is just a matter of time—and that time will come in months, not years, from now.

The undersigned Members of the Senate and House of Representatives from the State of Kansas, as the result of personal investigations, reports from all sections of the State, and surveys made through agencies qualified to get the facts, come before you today for the second time in less than 2 weeks to urge action, because we believe any further delay in meeting this situation is perilous in the extreme.

Members of the Kansas delegation in Congress called a conference in Topeka, Kans., August 25, to consider the farm labor situation in Kansas. At this conference, in which representatives of the Kansas farm organizations, Kansas State Board of Agriculture, and other interests participated, a telegram setting out the deplorable conditions was sent to General Hershey. A copy of that telegram is attached.

At that time the Kansas State Board of Agriculture, Kansas Bankers Association, and Agricultural Adjustment Agency, State and county organizations were asked to make a survey of the extent to which the lack of labor was now affecting farm production and would affect it in the future. Copies of the result of this survey are attached (copies have already been filed with your Department). At the conference in Topeka on August 25, it was agreed to pursue the matter vigorously when the information requested was obtained and the signers had returned to Washington.

Pursuant to that understanding, a discussion was had between members of the Kansas delegation at a conference held on September 8 that was followed by a conference with you on September 10. At that time the situation was thoroughly discussed and the results of the survey made in Kansas filed in your department. The survey showed, briefly, that—

(a) The farm labor supply was being depleted to a point that was reducing production at the present time and threatening a disastrous shrinkage in future production.

(b) Nine hundred farms were reported entirely idle in 1942 as compared with a probable 3,600 farms idle in 1943; 5,000 farms were partially idle in 1942, and the estimate for 1943 indicates that 10,202 would be idle.

(c) The survey indicated that in the depletion of farm labor 52.2 percent was due to the Selective Service and 35.2 percent due to higher wages and shorter hours in war industries.

(d) Report (perhaps the most complete of all) from Labette County, Kans., showing that 15 percent of the plow land is idle and growing weeds; that several hundred acres of splendid prairie hay will not be cut because of lack of labor; that women are operating hay rakes; that 10- and 12-year-old boys are operating tractor mowers, while older men are doing the heavier work; that the farmer cannot

not compete with industry in the labor market.

Since our return to Washington, following the inception of this survey in Topeka, we have been deluged with letters and telegrams from our constituents in Kansas emphasizing the increasingly difficult labor conditions on the farms which can only result in a disastrous shrinkage in production. We can furnish these letters by the hundreds or by the thousands if they would serve any useful purpose.

Following our conference with you on September 10, we had further conferences as follows:

With General Hershey on September 11, Chairman McNutt, of the War Manpower Commission, on September 12, Undersecretary of War Patterson on September 14.

The whole situation, as well as special phases coming within their particular jurisdiction, was discussed with all of these responsible officials. We have come back to lay our views before you both as Secretary of Agriculture carrying the largest responsibility for food and fiber production necessary in this war situation, and in your other relations to this situation, including membership in the War Manpower Commission. We have made an honest effort to obtain the actual facts. We have discussed the whole situation as described above. We have given the matter earnest consideration in our own conferences. We speak earnestly because we feel earnestly. We fear that the Nation is threatened with a serious reduction in the production of foods in 1943 and thereafter that would be disastrous. We feel that the country as a whole is not yet alive to the extreme hazards of the almost certain outcome.

Specifically we bring your attention to the desirability of:

(a) Making a thorough regional, State, and local area survey with the view of determining the precise situation as regards the amount of available farm labor and the extent of the labor deficit, in the various areas.

(b) Declaring and defining critical areas where the farm-labor shortage is most severe.

(c) Considering limitations or restrictions in the employment of labor by war industries that would further deplete labor on the farm.

We declare our belief that the continued and progressive depletion of labor on the farms will reduce the production of foodstuffs in 1943 and thereafter below the requirements of this country and of the United Nations which we are supplying. We feel this situation is so serious that we urge and would insist, if we had the power, that concerted and definite action be taken and that the handling of the labor problem be coordinated to whatever extent is feasible and necessary to meet this most urgent problem. We further declare our belief that farm labor will continue to leave the farms under present conditions. The Selective Service has priority, of course, but our survey shows that 35 percent of the depletion in Kansas is due to higher wages and shorter hours offered by industry, including Government-operated plants, and further including plants operated for the Government under contract.

In these plants the Department of Labor and the Ordnance Bureau of the War Department show 44 and 47 hours of labor, respectively, in the two classifications made of all plants. The latest report of the Department of Labor for all manufacturing industries shows 42.4 hours of labor per week. In individual industries the average runs from 27 hours per week to 57 hours per week; only a few classifications as much as 48 hours per week. In all of these plants, whether governmentally or privately operated, the scale of wages is far in excess of those that can be paid on the farm under present farm prices. On the farm the hours of labor aver-

age from a minimum of 60 hours per week to a varying maximum around 84 to 96 hours per week.

We earnestly urge that labor cannot be retained on the farms under these conditions of work and wages.

And, finally, we declare it to be our belief that the United States of America cannot do its share in winning the war when a preponderance of labor is working on a basic hours-per-week premise below the standard regarded as fair and reasonable for peacetime. We are in war. Peacetime rules are out.

We have approached this question earnestly; we have done our best in the time available to collect information; we have laid this information before you and other responsible officers of the Government. We earnestly hope that steps will be taken toward a solution.

Very earnestly yours,

ARTHUR CAPPER,
CLYDE M. REED,

Members of the Senate.

WILLIAM P. LAMBERTSON,
U. S. GUYER,
THOMAS D. WINTER,
EDWARD H. REES,
JOHN M. HOUSTON,
FRANK CARLSON,
CLIFFORD R. HOPE,

Members of the House.

Mr. LUCAS. Mr. President, yesterday there was much debate upon what is known as the Thomas amendment. At the outset of my remarks I wish to take this opportunity to commend the senior Senator from Ohio [Mr. TAFT] for the address he made in connection with the proposed inflation legislation, and especially do I desire to point out a statement in his remarks which appears on page 7502 of the RECORD, which seems to me to hit the nail squarely on the head insofar as the consideration of the proposed legislation is concerned. The able Senator from Ohio said, among other things:

In any event, it certainly seems to me that we would be stultifying ourselves and doing an act which we cannot defend if we adopt the pending amendment, because, obviously, we are saying in effect, "All right, we will reduce the price from 110 to 100, and then we will change the definition of parity"—which nobody knows anything about—"so as to put back the price to 112½." That is the increase in the floor price of most products if we count in farm labor, as estimated by the Department of Agriculture. It seems to me that we cannot defend such a proposal.

Mr. President, I subscribe to the sentiments expressed in that paragraph of the address of the distinguished Senator from Ohio. It seems to me that is the meat of the entire controversy raging around this important piece of legislation. There is no particular reason I can see why we should be considering proposed legislation of any kind at this moment if we are literally to scrap the emergency price control law, and add 2½ percent to the 110 percent that was provided in that act.

I regret to find myself in opposition to practically every member of the Committee on Agriculture and Forestry. Let it be said in the beginning that I have every respect for the judgment, the integrity, and the patriotism of the men with whom I serve upon this very important committee; I seem to be the only

one who is in opposition to the pending amendment, notwithstanding the fact that for 7½ years, since I have been a Member of Congress, I have been a member of the Committee on Agriculture, both in the House and in the Senate.

Mr. BROWN. Let me say to the Senator from Illinois that I think that when he stands alone he is in very good company.

Mr. LUCAS. I thank the Senator from Michigan for that remark. As I have said, for seven and a half years I have served as a member of the Committee on Agriculture both in the House and in the Senate, and the record I have made speaks for itself. I would not under any circumstances change the record. I have not always seen eye to eye with the various farm organizations which are in existence in my State on every proposal submitted by them, and in the main our relationship has been pleasant and cooperative.

Back in 1937, as a member of the Agricultural Committee in the House, the Senator from Illinois initiated and put through an amendment to the agricultural bill which was then being considered, known as the mandatory corn-loans amendment, and later on, cotton and wheat were added to that original principle. I undertake to say that as the result of mandatory loans back in 1937 such a price stabilization has been given to the farmer in America over a period of 5 years as has never been experienced in any other 5 years in the history of the country.

Mr. President, it was no easy job to put across mandatory corn loans. Some men serving in this body now will recall the fight that occurred on the floor of the House. As I recall, we were defeated in the beginning by a vote of something like 205 to 196, and the Senator from Illinois promptly voted against that agricultural bill because there was not a single thing in that bill for the American farmer. Later on in conference it was ironed out to the point whereby mandatory loans were agreed to, and mandatory-loan legislation was brought back into the House, and with that principle added to the bill it was passed by a vote of 2 to 1, and became the law.

Mr. President, my life has been spent with the farmers in the Corn Belt of my State. I was born and raised on the farm. I am the owner of farm land at the present time. I am a member of the Farm Bureau in my county. I believe I understand something about the farmers' problem in my section of the country. I believe I understand the attitude of the American farmer in my section also in respect to the great problems which now face the American Congress and the country as a whole. In talking with many farmers during the last 3 weeks in my own county and surrounding counties I have learned from them that they are primarily interested in the No. 1 problem, which is the winning of the war at the earliest possible time, in order that the boys who have gone from the farm into the armed service and to the defense industries may return as soon as possible to a normal and peaceful life. That is what the farmer is primarily interested

in in my section of the country, notwithstanding what the leaders of farm organizations may inform Senators in telegrams sent to them, in other communications, and in conferences.

Problem No. 1 for the American farmer is production—and why? Next to the winning of the war he is more interested in the problem of production than anything else, because production is the primary thing which will help win the war and bring the boys in the service back as soon as possible. He is more interested in seeing production come from the soil than he is in any formula which has been written in the so-called Thomas amendment. If the Thomas amendment really could do something from the standpoint of producing more from the soil I might have a different attitude toward it. The production I am speaking of is not only necessary to support the civilian population at home, as well as those who are on the military front, but it also serves a second purpose in being a real barrier to inflation.

Mr. President, the most acute problem, the one which is giving the Nation, and especially the farmer, the real jitters at this particular time, is the shortage of manpower. I challenge anyone to show me how the Thomas amendment is going to effect an increase in the manpower in the agricultural communities under present conditions. Men have been called from the farm into the military services. Men have been called from the farm into industrial plants. Agriculture is faced with a situation entirely different from that which existed in World War No. 1, when few men left the farm to go into industrial work, compared with the number required to go into industry today in order that we may make modern weapons and instruments of war necessary to defeat the totalitarian group across the seas. That is the real problem, and it would not make any difference if the formula of parity were put up to 200 percent; if the men are not in the community to do the job they simply cannot be obtained, regardless of what is done with respect to the formula of parity. To my way of thinking that is one of the great problems—it may be number one problem before the Nation at this particular time.

We have heard that problem discussed on the floor of the Senate. The junior Senator from Wisconsin [Mr. WILEY] complained bitterly on the floor of the Senate yesterday about the lack of manpower, and what is being done to his section of the country in connection with the taking of men to the Army and to industrial plants, and he has a just complaint, of course. The Senator from Kansas [Mr. REED] complained bitterly about the same thing. But what will the Thomas amendment do insofar as increasing manpower is concerned in that section of the country?

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WILEY. I have listened very attentively to the remarks made by the Senator from Illinois. I cannot follow the logic of his last statement. For instance, in my speech yesterday I demon-

strated my point by inserting in the RECORD a statement that the wage of the farmer himself was about 28 cents an hour. In my section of the country probably 50,000 workers have been taken from the farms and have gone into the war plants, where they are earning from \$1 to \$1.25 an hour. If the farmer's earnings are to be frozen—

Mr. LUCAS. Mr. President, I do not wish to yield for a long speech. If the Senator from Wisconsin will ask me a question I shall be glad to answer it.

Mr. WILEY. If the farmer's earnings are to be frozen at 28 cents an hour more men will be taken from the farms into industrial plants, because the farmer himself will sell his farm and will be glad to get \$1.25 an hour for his labor. That is what is happening, sir.

Mr. LUCAS. The argument which the Senator makes does not make any impression upon me whatsoever. It is not in point.

Mr. WILEY. I did not expect it would.

Mr. LUCAS. I presume that is the reason why the Senator is now leaving the floor. In any event, the differential between the farm-labor rate and what a worker is receiving in defense industry is such that no farmer at any time in this crisis will be able to compete, and he has never been able to compete with wages which have been paid in industry.

Mr. President, how does the Thomas amendment affect the people in my section of the State of Illinois? How will it affect the corn and wheat farmer in Illinois? It will do absolutely nothing for the wheat farmer, the corn farmer, the oat farmer, and the rye farmer in the State of Illinois, and we produce all those basic commodities in that section of the country. Why do I say that? The Thomas amendment says:

For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

According to the Bureau of Agricultural Economics of the Department of Agriculture that formula will increase the present parity formula from 10 to 12½ percent. In other words, before the corn farmer of Illinois, for instance, will be able to get any benefit out of the new formula corn would have to go to approximately \$1.10 per bushel. As I recall, corn is now selling around 80 cents a bushel. There is little or no chance of a serious rise in the price at least for another year and here is the reason: The corn carry-over into the new marketing year which begins October 1, 1942, is estimated to be 590,000,000 bushels. The corn crop as of September 1, 1942, is estimated at 3,015,915,000 bushels. The total supply of corn in prospect for the year starting October 1, 1942, is 3,515,915,000 bushels.

The goal for the 1942 production of corn was arranged last February by the Department of Agriculture at somewhere between 2,636,000,000 and 2,708,000,000 bushels; in other words, approximately 800,000,000 bushels of corn will be considered as a surplus during the next year.

Under no circumstances will the farmer get any help from the standpoint of an increase in the cost of corn whereby he can go out and pay the laboring man an increase of 17 percent, as is suggested in the proposed new formula.

Mr. President, what is true of corn is true of wheat, only the situation is worse in the case of wheat. The carry-over in wheat into the marketing year which began July 1, 1942, was 633,000,000 bushels. The wheat crop of 1942 is estimated, as of September 1, at 981,793,000 bushels. The total supply of wheat in prospect for 1942 is 1,614,793,000 bushels.

The goal announced last February by the Department of Agriculture for this year's wheat crop is 793,000,000 bushels, compared with the 1942 wheat crop estimate of more than 981,000,000 bushels. In other words, during the next year we shall have a surplus of wheat of some 800,000,000 bushels. As we all know, at the present time wheat is selling for \$1.05 or \$1.10 a bushel. The parity price is \$1.36. Under the proposed new formula wheat must reach a price of \$1.50 a bushel before the wheat farmer would be able to obtain any benefit in the way of compensation for the increased cost of labor in harvesting the wheat. Because of the bumper crops the prices of wheat, corn, oats, and rye are all so far below the parity price that there is no prospect or hope of any of these basic commodities ever reaching the point where any farmer in my section would obtain any benefit as a result of the proposed formula. I must expose these salient facts. I do not want the farmer in Illinois to be fooled by thinking he is getting any relief under this amendment.

A strange situation exists with respect to hogs and cattle. We raise quite a few hogs in my section of Illinois and throughout the State. In 1939 the actual price of hogs was \$5.30 a hundred. I mention that because I wish to return to that point a little later.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HATCH. The Senator has been arguing that the proposed new formula would not in anyway affect or benefit the farmers in his State. The Senator says that if the amendment were adopted it would not benefit the farmers of his State.

Mr. LUCAS. That is true.

Mr. HATCH. If the parity price should increase, the loan value would also increase, would it not? The loan value is fixed even now at 85 percent of parity.

Mr. LUCAS. I understand what the Senator means.

Mr. HATCH. An increase in the parity price would benefit the farmers of his State, would it not?

Mr. LUCAS. No; it would not benefit the farmers of my State, because the loan value would not increase.

Mr. HATCH. If the parity price were increased and the loan value were fixed on the basis of 85 percent of parity, why would not the loan value be increased?

Mr. LUCAS. From that angle the Senator may be correct so far as the loan value is concerned; but I am speaking from an entirely different premise.

Mr. HATCH. The Senator said that the new formula would not benefit the farmers in his State.

Mr. LUCAS. From that angle, what the Senator says is true.

With respect to hogs, on August 15, 1939, hogs were selling for \$5.30 a hundred. The actual price on August 15, 1942, was \$14.13 a hundred. The parity price was \$11.05 a hundred. In the case of hogs, the actual selling price is so far above the parity price that the hog farmer does not need this formula, and it would not affect him, because at the present time he is receiving more than 110 percent of parity.

What is true of the hog farmer is true of the farmer who is feeding cattle in my section of the country. In 1939 beef cattle were selling at \$6.74 a hundred. The actual price on August 15, 1942, was \$11.30. The parity price was \$8.24. The actual selling price is far above the parity price. Consequently, the farmer feeding cattle in my section would obtain absolutely no benefit.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. TYDINGS. Does the Senator contend that the parity prices of hogs and cattle should be increased, in view of the prices reflected in the figures which he has quoted?

Mr. LUCAS. I am not discussing the question of whether or not the parity prices should be increased. I am not making any argument on that point. I am willing to leave that to the judgment of those who are administering the law. I do know that the prices of cattle and hogs are far above the parity prices, and I seriously question that the prices of cattle and hogs should be reduced, because such prices will produce the meat which is so necessary to win the war.

Mr. TYDINGS. I am not taking issue with the Senator; but I should like to suggest to him that, as I see it, most of the complaint about the high cost of living as it relates to food arises because of the cost of beef and pork to the consumer.

Mr. LUCAS. That is correct.

Mr. TYDINGS. Hardly anything that I know of evokes more comment about the high cost of living than the prices of cattle and hogs. Therefore we are up against a practical situation. If that be so, and if that is where all the complaint is coming from, if the power to reduce such prices exists, it ought to be applied, and we ought to quit talking.

Mr. LUCAS. I am not acquainted with all the factors which have a bearing on the continued high prices for beef and hogs; but, as I stated a moment ago, I am willing to leave to the judgment of those who are administering the act the question whether such prices should be reduced or increased. Those administering the law have all the factors before them. They have the necessary research facilities, and they ought to know what they are doing in connection with that very important problem.

Mr. TYDINGS. Mr. President, will the Senator yield for one further observation?

Mr. LUCAS. I yield.

Mr. TYDINGS. I am not advocating a reduction. I am merely commenting on the current criticism throughout the country. It is my belief that if today the prices of cattle and hogs were reduced to parity, or even 10 percent above parity, 99 percent of the criticism about the high cost of living would disappear. I am not saying that the prices of cattle and hogs should be reduced or that the criticism is sound; but certainly the power to reduce prices exists, and a reduction is not being made. That is the reason for most of the criticism with respect to the high cost of living.

Mr. LUCAS. I agree with the Senator that there is a tremendous amount of criticism, and no doubt much of it is justified. However, the housewife is complaining about a number of other retail prices. I am thinking now primarily of eggs and chickens. Yesterday morning eggs were being sold at the grocery store at the Wardman Park Hotel at 69 cents a dozen. I do not know whether those eggs came from the Senator's farm or not.

Mr. TYDINGS. No; they did not. I wish they had. Perhaps our friend, the Secretary of the Interior is selling them. [Laughter.]

Mr. Henderson, appearing before the Committee on Agriculture and Forestry the other day, commented on the fact that the price of eggs had gone up in the past 3 or 4 months. I think we all know that the price of eggs usually goes up at this time of the year. Hens are moulting, and new pullets are coming into production. Pullet eggs are not standard. There is a shortage of standard-sized eggs. The price of eggs always goes up at this time of the year. That phenomenon is almost as regular as the sunrise; but apparently it has been seized upon as a great discovery, indicating that something unusual is happening. Aside from beef and pork, the prices of which account for 90 percent of the criticism as to the high cost of living, not many other agricultural products are the subject of ordinary conversation in that connection.

Mr. LUCAS. In the conversations which I have had with housewives a number of other products have been discussed, such as lamb, eggs, and chickens, the prices of which are pretty high.

The point which I am trying to bring out is that the farmers in my section of the State would not receive one iota of benefit as a result of the pending amendment. I cannot see any benefit for a long time to come, if ever. The corn farmer would have to receive a price of \$1.10 a bushel for his corn before he could get any benefit. If the Senator thinks that the prices of pork products are high at this time, there would be a real complaint from the people as to the high prices if the farmer had to feed his hogs with corn at \$1.10 a bushel.

What the farmer in my section of the country really wants is somebody to do the work on the farm. He simply cannot find enough farm labor which is capable and willing. This amendment does not reach that problem. I should like to read into the Record at this time a letter which demonstrates to me what the country is facing so far as lack of

manpower on the farms is concerned. The letter comes from the Kendall County Farm Bureau. Those farmers are not asking for increased prices. They are asking for men. This country is crying for men to win the war on the military front as well as men to win the war on the production front.

The method of obtaining men to do the work that must be done on the farm is secondary to the all-important problem of getting the men there. We have heard a great deal about subsidies. Nearly everyone seems to be against subsidies. The Senator from Illinois certainly has never championed subsidies at any time; but for a long time the American farmer has been receiving subsidies through soil conservation payments. So far as I am concerned, if a subsidy is necessary to get men to go into the cornfields, the wheatfields, or the dairy industry of the Northeast, the Northwest, or any other section, or to dig potatoes or pick cotton, or tomatoes which would otherwise perish on the vines, in this crisis the Senator from Illinois is in favor of having some governmental agency see to it that no food is lost. I do not care how we get the labor. A subsidy in time of peace is one thing, and a subsidy in wartime is another. This is a total, all-out war, and the American people cannot afford to lose a single tomato or a single potato. They cannot afford to lose necessary production in the dairy industry throughout the country.

Here is the letter:

KENDALL COUNTY FARM BUREAU, INC.,
Yorkville, Ill., September 15, 1942.

Hon. SCOTT LUCAS,

Senior Senator, State of Illinois,
Capitol Building, Washington, D. C.

DEAR HONORABLE LUCAS: We are a committee appointed to write you and others in authority concerning the labor situation in Kendall County. We have been appointed by a representative group of 30 farmers representing each township and who were appointed by a committee within the township.

This group of 30 farmers in discussing the labor situation within the county feel that you and others in authority do not have the facts in regard to our labor situation.

Kendall is a small county of 9 townships, with no large towns, and with a total population, according to the last census, of 11,069. We are near the Wilmington defense plant on the southeast, near the Seneca defense plant on the southwest, and near the manufacturing centers of Aurora, Montgomery, and other cities to the north. All of these have drawn heavily on farm labor because they are paying very much higher wages than farmers can afford to pay.

Our local selective service board feels that it is obligated to meet the quota of men to serve in the military forces. Because of this fact and because of the condition explained above, the county is destitute from the labor standpoint, and unless something is done, the situation will be more acute in 1943.

The local selective service board is now required to take men who are definitely skilled in farming and are needed on the farm to the extent that production will be definitely curtailed if there is not a change in attitude toward keeping them on the farm.

We believe the farmers of Kendall County are as patriotic and determined to win the war as the farmers or townspeople in any other section, and this letter is not written in a spirit of criticism, but as an expression of facts. We have numerous reports from farmers who are definitely planning or have

planned to cut down on livestock production because of farm boys being called by the draft from farms on which the whole family has worked almost day and night during the present year in order to comply with the request of producing an increased amount of food.

It is our opinion that if necessary from the standpoint of food production and war effort, it would be wise to draft a number of these farm boys and station them on the farm as a part of the war effort. We believe you realize that inexperienced help cannot feed and care for livestock, since livestock feeding is a specialized industry and requires knowledge, skill, and a real interest in order to be successful. Numerous reports were made by the group of damage to farm implements and loss in livestock feeding because of inexperienced help during the past year.

We urge you to give this matter your sincere consideration in order that the situation may be corrected and efficient food production may continue within the county. We believe this can be done in one or both of two ways:

1. The local selective service board could be instructed to be more lenient in drafting experienced farm boys, even if the county quota is not met.

2. Experienced farm boys could be drafted and stationed on the farm for agricultural duty.

Very respectfully yours,

DANA CRYDER,
KENNETH RICKETTS,
SIMON DICKSON,
Committee.

Mr. President, I have read that letter into the Record in order to advise the Senate as to what the country is thinking about with respect to the shortage of farm labor. The persons who wrote the letter even go so far as to want to draft men who at the present time are in the military services, in order to have them go on the farms and help do the work. As I said a moment ago, the patriotic and sincere farmers in Kendall County are entitled to relief, and I do not care how they get it—whether it be by means of a subsidy, whether it be from the military forces, or what-not. If they have a crop to harvest they are entitled to have that crop harvested this fall; and no corn on the stalk there should be left to rot in the winter winds.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CHANDLER. Would the adoption of the so-called Thomas-Hatch amendment in any way cure that situation?

Mr. LUCAS. Its adoption would have absolutely nothing whatever to do with curing the situation insofar as the emergency is concerned in Kendall County. I am talking now about the emergency which exists, and I have just now read a letter which tells us what the emergency is in a certain county in my State.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HATCH. Would the rejection of the amendment have anything to do with meeting the emergency situation?

Mr. LUCAS. Probably it would not have anything to do with it; but the rejection of the amendment would do just what the Senator from Ohio [Mr. TAFT] said yesterday it would do. In other words, the adoption of the amendment—in my humble opinion—would stultify

the United States Senate. We should not even be considering such legislation at all, but should leave as is the Price Control Act, which covers farm commodities at 110 percent.

Mr. BILBO. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I yield.

Mr. BILBO. Does the Senator think that if the farmer were to receive enough for his corn so that he would be able to compete with the industrialists who are taking his labor away from him, he would be able to get all the labor he needed in order to harvest his corn?

Mr. LUCAS. No; sufficient experienced labor is not now on the farms and what labor is left on the farms is moving out faster and faster all the time because of the military situation and because of the defense plants which are in the Kendall County area and in every other area throughout the country. That is the real trouble, Mr. President. The experienced men who can handle farm machinery and who can handle livestock and do it in a way which will produce the most are out of the picture for the moment. Anyone who knows how a farm is operated at the present time realizes that all the work is done by machinery, and the young fellow who was on the farm, who always was there to oil the machinery and gear it up and repair it, has now been taken away. The older men who are left on the farm have had little to do with the operation of the new motorized machinery.

Mr. BILBO. The Senator does not contend, does he, that all the experienced labor he speaks of has been called into the Army?

Mr. LUCAS. Oh, no; I do not so contend.

Mr. BILBO. Or that the shortage of available farm labor exists because the farmers have not been able to receive a price for their crops sufficiently high to enable them to pay wages which would compete with industrial wages?

Mr. LUCAS. I have just read a letter to show what has happened in one particular country, and two reasons for it.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LUCAS. I shall always be glad to yield to my able friend from New Mexico.

Mr. HATCH. Is it not true that the men who have gone into defense plants have gone simply because it is more profitable for them to go there than it is for them to stay on the farms?

Mr. LUCAS. I should say that probably 90 percent of the men who have left farms and who have gone into industrial plants have gone there because of the higher wages paid.

Mr. HATCH. Because it is more profitable. Does the Senator still wish to say that, because some of us in the Senate are trying to make it profitable for the men to remain on the farms, the adoption of the amendment would mean that the Senate would stultify itself?

Mr. LUCAS. No; I did not say that at all.

Mr. HATCH. The Senator certainly said so.

Mr. LUCAS. I stated that in my opinion the Senator from Ohio [Mr. TAFT] was correct when he said yesterday that the Senate would stultify itself if it now were to eliminate from the Price Control Act the formula which provides for 110 percent of parity, and were to pass a measure which would give the farmers 112½ percent of parity. In other words I do not see why we should quibble here for days over a proposition involving an increase of 2½ percent. We could just as well leave the formula as it is.

Mr. HATCH. Mr. President, will the Senator yield to me again for an observation?

Mr. LUCAS. I yield.

Mr. HATCH. I do not want to take exception to the Senator's remarks; but I must say that when a Senator resorts to language such as that which the Senator from Illinois has just now used and which he said the Senator from Ohio [Mr. TAFT] used yesterday, I think that Senator stultifies himself in so doing.

Mr. LUCAS. Of course, I shall not argue with the able Senator from New Mexico. Perhaps the word "stultify" is the wrong word to use. I was quoting from the remarks of the able senior Senator from Ohio. Whenever he speaks everyone listens, and his remarks yesterday impressed me.

Obviously, if the Senator from New Mexico wants to take exception he may do so. If I have offended him in any way, I apologize, because I do not desire to offend the able Senator under any circumstances whatever. Perhaps the word "stultify" is a little strong but I think I shall let it remain in the RECORD.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. CHANDLER. The pending joint resolution is an anti-inflation measure, is it not?

Mr. LUCAS. I thought it was.

Mr. CHANDLER. If we have something which we call parity, which no one here seems to know anything about—or if anyone does, he will not admit it—and which results in some imaginary figure of 110 percent, and if in the consideration of an anti-inflation measure which seeks to prevent the imposition of a higher cost of living upon the people of the country we debate the measure and finally increase the cost of living by 2½ percent, we shall have done a magnificent job, shall we not?

Mr. LUCAS. Yes; extremely magnificent.

Mr. CHANDLER. The President has said that he wants to prevent a rise in the cost of living.

There are two reasons why a sufficient number of men are not working on the farms. One is because many farm workers have gone into the Army. The second is that many farms are near defense plants, as is the case in Kendall County and in my own county of Woodford. Under such circumstances, when there is an opportunity to work in the defense plants, the boys will work in them as long as they are out of the Army. They will do so in order to get more money.

Even if we do not do something here to curtail the rising cost of living—and that

is what we seek to do by the pending measure—the farmers have boys in the Army just as others have, and they want them fed and protected. If the cost of living continues to rise, and rises unabated and uncontrolled, the necessity for wage control will constantly grow greater.

This is the finest chance the members of the farm bloc ever have had to have wages regulated; but evidently they are willing to give up that chance, because they say they want the wages of everyone else regulated but do not want the wages paid by farmers regulated.

I live in the country. In my section the farmers are paying a maximum of \$3.50 a day for labor; and an ordinary laborer in a nearby defense plant receives at least \$4 a day, and sometimes much more. Unless everyone—the members of the farm bloc and everyone else—gives up his privileges in an effort to work out a solution of the problems existing in connection with the war effort, all of us will get into trouble. I hate to see the friends of the farmers take the farmers up on the mountain again, as was done 25 years ago, and then, when the war is over, let them drop down into the valley—into the cellar, so to speak. If that happens, I do not know what the farmers will do, but certainly they will not be up on the mountain any longer.

Mr. LUCAS. I thank the Senator for his remarks. What he has said is correct, in my opinion.

In considering the pending amendment of the Senator from Oklahoma, we are doing nothing toward furthering the war effort. All we are doing is considering whether to increase by 2½ percent the parity formula laid down in the Price Control Act.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. THOMAS of Oklahoma. At this point I desire to place in the RECORD some information which came to me this morning. I have a friend who is constructing a bank building in Dallas, Tex. This morning he told me that he is paying \$18 a day for bricklayers who work 5 days a week; and on Saturday, because Saturday work is overtime, he is paying them \$28 a day. With wages of that kind current in private industry, and wages that we know are current in public industry, I cannot understand why the farmers should not be given a chance to have their wages included, at least, in their farm parity formula.

Mr. LUCAS. Of course I know that high prices are being paid to the workers to whom the Senator refers; everybody knows that; it has been going on for a long time, and I wish that the farmer could get as much as those workers; but if the Senator will tell me just how it can be done without destroying the agricultural life of the Nation I should like to have him do so. It simply cannot be done, Mr. President. The only thing I am saying is, as I said a moment ago, that in this emergency I want to see every crop harvested, regardless of how it is done, whether it is done through a subsidy, through the Army, or what not.

I do not want to have complaints continually coming, as they will continue, unless someone solves problem No. 1 along the line of the suggestions I have read from the fine farmers of Kendall County.

The President recognized this situation in his message to Congress with regard to stabilizing the cost of living when he said:

Next to military and naval victory, a victory along this economic front is of paramount importance. Without it our war production program will be hindered. Without it we would be allowing our young men, now risking their lives in the air, on land, and on the sea, to return to an economic mess of our own making.

Mr. CHANDLER. Mr. President, will the Senator yield there?

Mr. LUCAS. I yield.

Mr. CHANDLER. Could the President stabilize prices with the proposed amendment in the joint resolution?

Mr. LUCAS. I do not think he could; that is my opinion about it. He was not able to do so under the Price Control Act, and I do not see how he could do it if we should increase by 2½ percent the prices which the Price Control Act allowed.

Mr. CHANDLER. I confess I do not, either. I merely wanted to get the Senator's idea about it.

Mr. LUCAS. In the opinion of the Senator from Illinois, if there is any one thing the American farmer is entitled to, insofar as labor is concerned, it is what the increased cost of labor has been over the base period since the emergency began. At one time I thought about offering an amendment along that line. It would be fair and meritorious. I think, however, the amendment offered by the able Senator from Wyoming [Mr. O'MAHONEY] is sufficient to do that very thing.

The amendment that I had in mind in the beginning, and which I discussed somewhat with the members of the Banking and Currency Committee, had to do with the Price Control Act. It would have struck out subsection (a) of section 7 and inserted in lieu thereof the following:

SEC. 3. (a) No maximum price shall be established or maintained for any agricultural commodity below the highest of the following prices as determined and published by the Secretary of Agriculture: (1) 100 percent of the parity price for such commodity as computed by the Bureau of Agricultural Economics in accordance with existing law, plus such adjustment as is necessary to compensate for the increase in the wage rates of agricultural labor over the base period used in computing the parity prices, or in the case of nonbasic commodities a comparable price as directed under subsection (b), adjusted to compensate for such increase in the wage rates of agricultural labor; (2) the market price prevailing for such commodity on —.

In my humble opinion that would be an honest adjustment of the parity formula because of the increased price of labor as a result of the present emergency. It can be done, and, in my humble opinion, will be done under the O'Mahoney amendment, which gives the President of the United States the discretionary power to adjust gross inequities. My amendment was manda-

tory; the O'Mahoney amendment is discretionary.

Mr. President, much has been said throughout the country, and some things have been said upon the floor of the Senate, about the message the President sent to Congress. Perhaps some unfortunate words were used in that message but I think everyone knows, at least, the country knows, that the President of the United States has just one thing in mind, which, as I said before, is the paramount issue above all, and that is the winning of this war. For the last 10 years Franklin D. Roosevelt has been the best friend the farmer has ever had in the White House, and he still is a friend of the farmer, notwithstanding critical references to the message which he sent to the Congress a few days ago. All one has to do is to look back over the record from 1932 to the present time to find out just what the farmer has accomplished under the present administration.

It is an old American custom, Mr. President, to attack the President of the United States during wartime. "Dictator" was a mild term hurled at Abraham Lincoln. It was said that Abraham Lincoln's suspension of the writ of habeas corpus was the act of a tyrant and a despot. He was charged with corruption, inefficiency, and political favoritism. It was said that precious American lives were sacrificed by his ignorance and his obstinacy. These were merely a few of the mild things which were said about Abraham Lincoln in the great crisis between the States. Methinks that I hear some of the same rumblings in this great emergency against the man now in the White House, but Roosevelt will live, as Abraham Lincoln lived, long after those who are attacking and criticizing him have been forgotten.

It has been repeatedly said here that President Roosevelt favors the laboring man over the farmer. That is the insinuation and the implication that has been made. Mr. President, I deny that to be so. I have read the message of the President, and, on eight different occasions in that message the President talks about the stabilization of wages. First he says:

To keep the cost of living from spiraling upward, we must stabilize the remuneration received by individuals for their work.

At another place he says:

If, however, the costs of production, including labor, are left free to rise indiscriminately, or if other major elements in the costs of living are left unregulated, price control becomes impossible.

In another sentence he says:

Our entire effort to hold the cost of living at its present level is now being sapped and undermined by further increases in farm prices and in wages, and by an ever-continuing pressure on prices resulting from the rising purchasing power of our people.

At another point he says:

You cannot expect the laborer to maintain a fixed wage level if everything he wears and eats begins to go up drastically in price. On the other hand, it is impossible to keep any prices stable—farm prices or other prices—if wage rates, one of the most important elements in the cost of production, continue to increase.

And so forth. No, Mr. President, he treats labor in this message just as he does the farmer in connection with the very important inflation legislation which the Senate is now considering.

Mr. President, the most important thing he said in that speech, in my opinion, is found printed on page 5 of the committee report. After going into details with regard to wages and salaries and prices, he said:

What is needed, therefore, is an over-all stabilization of prices, salaries, wages, and profits. * * *

At the same time that farm prices are stabilized, wages can and will be stabilized also. This I will do.

Mr. President, ever since I have been in the Senate there has been a hue and cry about stabilizing wages, but this is the first time the opportunity has ever been given the Senate to tie farm prices with the stabilization of wages. It is in the pending joint resolution. I should dislike to see the so-called Thomas amendment go into the joint resolution, because, as one who has always been interested in the farmers, and his problems, I have fought for the opportunity for the farmer to take his dollar and go into the grocery store and buy as much with it as could a workman in any other industry in America.

Mr. CHANDLER. Mr. President, will the Senator yield there?

Mr. LUCAS. I yield.

Mr. CHANDLER. Would it not be possible that the adoption of the so-called Thomas-Hatch amendment might preclude the stabilization of wages which the President has placed squarely before the Congress?

Mr. LUCAS. I hope it will not, but I fear that is exactly what would happen.

Mr. CHANDLER. Then would not those supporting it be held responsible for having defeated one of the important steps which the President has urged upon the Senate and upon the Congress at this time, in order to stabilize farm prices and wages at the same time, and do it justly and fairly?

Mr. LUCAS. I think the Senator's observations are pretty nearly correct, because when we get into one of these spirals of inflation, one brings on another, and it is impossible to stop it. It is a vicious circle which will carry us back to the inflationary period of the roaring 1920's.

Mr. CHANDLER. It can be stopped now but the opportunity to do it may be lost, and inflation may be so uncontrolled that it would not make any difference what was attempted.

Mr. LUCAS. I agree with the Senator.

Mr. CHANDLER. Then the President would be forced to act, and if he did, he would be called a dictator, and would be called other names. He would have to act because of the failure of the House and the Senate to act, when he has given them the opportunity, and has said that if they do not act, he will be compelled to do so.

Mr. GILLETTE. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. GILLETTE. This is not in the spirit of criticism, but I believe the Sen-

ator made an inadvertent remark in his statement when he said this was the first time there had ever been concretely before the Senate a proposal tying the wage scale to the farm-price scale. The Senator from Wyoming [Mr. O'MAHONEY] very definitely presented a measure doing just that.

Mr. LUCAS. I think the Senator is right; it was eliminated in conference.

Mr. GILLETTE. The Senator is correct?

Mr. LUCAS. I thank the Senator for his correction.

Mr. President, what the Senator from Kentucky and I have been discussing is the main issue in which the American people are interested. In my recent visit back in Illinois I talked to at least 30 or 40 farmers, and I found that the principal thing in which the farmer is interested is the stabilization of wages, if we are to fix prices. Whenever we do that—and I have complete confidence that the President of the United States will do it under the pending joint resolution—we will do more to lift the morale of the people in my section of the country than any single thing that could be done.

Mr. President, that is the real issue, that is the fundamental issue in connection with the pending measure. The people want an over-all stabilization of prices, wages, salaries, and profits, and no fooling about this thing. The President of the United States will have the power to bring that about, as he said he would in his message. He will carry out that pledge.

Mr. BILBO. Mr. President—
The PRESIDING OFFICER (Mr. SMATHERS in the chair). Does the Senator from Illinois yield to the Senator from Mississippi?

Mr. LUCAS. I yield.

Mr. BILBO. Does the Senator from Illinois entertain the idea that the President will stabilize prices and the wage scale according to the levels prevailing now?

Mr. LUCAS. I cannot answer that question. I do not know what the President will do, but I have faith in the President. I am convinced that the farmer and laboring man will get a stabilization formula that will give them and America a square deal.

Mr. BILBO. The Senator would indeed be an optimist if he thought the President would, and if the President stabilizes at the present levels, the Senator knows the farmer cannot compete.

Mr. LUCAS. Mr. President, stabilization must be accomplished if we are effectively to prosecute the war on the home front, as well as the military front, and I have no hesitancy in saying that the American farmer should not be compelled to compete with the labor necessary to run the war industries of the Nation. He cannot do it. Some relief must be given him, but the Thomas amendment will utterly fail to accomplish that objective.

Certainly the differentials are such as to constitute a gross inequity. I am certain that the President of the United States will use his adjustment powers to correct any inequities that might exist. The farmer is asking today for what he has always fought for, a fair balance in

the price level of all commodities, and the standard of wages. He asks only that his dollar purchase as much as any other industrial dollar, and no more. The fulfillment of this principle is more important at this hour than it has been through all the years the farmer has been fighting for it.

Mr. BILBO. Mr. President, Monday night I went to a Washington grocery store and bought what I should call a second-class steak, raw meat, at 70 cents a pound. I bought some sweet potatoes at \$6 a bushel. Of course, the ordinary consumer would be enraged against the farmer at such prices, not knowing that the farmer does not enjoy the exorbitant price paid by him at the grocery store.

When we talk about hogs at \$14 a hundred and beef at \$12 or \$14 a hundred, that does not mean that the farmer is being overpaid for his farm products; but the consumer is being crucified by the middleman, or the man who handles and processes the farmer's product. Yet, because the consumer is being compelled to pay these exorbitant prices, there is a demand in some quarters, even on the floor of the Senate, that the prices of the farmer's products be reduced.

Mr. President, if we win this war, as win it we must, it is absolutely imperative that we have 100-percent enthusiastic and all-out help and cooperation of the 25 percent of the people of this Nation engaged in growing the feed and food supplies for our own people and our Army, as well as for our Allies.

It may be true that at the present time we have a surplus of some of the basic crops, but unless we keep up the farm effort it will not be many months before there will be a shortage in all the feed and food supplies of the Nation. I think by that time my good friend from Illinois will awake to find that he has made a mistake in being the only Senator on the Committee on Agriculture and Forestry who opposes the pending proposal.

We are all interested in escaping the disastrous results of inflation gone wild, and while we are legislating to this end we must not lose sight of what is taking place in the agricultural life of our Nation. There are some things which could be more disastrous than inflation.

There have been certain groups in our country which have laid the blame of inflationary tendencies at the door of the farmer on the outside and the farm bloc in the Congress. These charges are wholly unfounded. The farmers of this country have asked no more than fair prices for the crops produced by their labor. The farmers of our Nation are ready and willing to undergo any sacrifice necessary to win the war. All they ask is that the war be fought and won on an equality of sacrifice.

The critics of the farmer and the farm bloc overlook the fact that farm wage rates have gone up a little more than 100 percent since the base period of 1909-14, which is the base used in determining parity prices of farm products, and that during the same period industrial wages have increased more than 300 percent. Yet our Government is calling for more and larger production.

Today there is an alarming shortage of farm labor. In the case of many crops in many sections of the country there is not adequate farm labor to gather the crops which have already been made. Millions of dollars worth of crops already grown will deteriorate and be left in the fields ungathered because of the shortage of labor, which has been brought about, first, because of the drafting of the farm labor from the farms for the Army; and, second, because of the increased wages in the industrial plants and war projects throughout the Nation, labor has left the farms. Even at 100 percent parity a farmer cannot afford to compete with the wages paid in the construction of war projects and in the industrial plants of the Nation.

Farmers must increase wages on the farms if they are to continue to operate their farms, and they cannot increase wages unless they are able to sell their farm products at even a greater price than they are now receiving. One way to stop inflation is to produce more.

The so-called parity price is not enough, and I am surprised that any person who is informed about the critical situation which confronts the American farmer would for one moment object to the inclusion of the cost of production to the farmer, including the all-important item of the cost of labor. When all others around him are enjoying abnormal profits because of the war effort, no one but a fool would expect the farmer to operate his farm at a loss.

I warn my colleagues, all those in authority, and the country, that unless something is done, and done quickly, to guarantee to the hog farmer, cattle farmer, the cotton, wheat, and corn farmer, and the growers of all other products, a reasonable return in the growing of the next year's crop, hundreds of thousands of the farms of America will be shut down next year. I am not charging that the farmers will go on a strike; I am merely announcing what is going to happen, and giving the reason.

The farmers will not close down their farming operations, because of a lack of patriotism or of willingness to sacrifice to win the war, but they cannot pay the expenses of operating their farms, including taxes and labor and increased prices, unless they have the positive assurance that they will receive enough for their crops to pay their taxes, their labor, and other necessary expenses in carrying on their farming operations. The prices of farm products must be at such a point that the farmers can compete with labor in industrial plants and in the war industries of the country.

I was reared on a farm and have operated a farm, and I have heard all my life that no farmer could show a profit if he figured in the cost of the labor of himself, his wife, and his children. There is no reason why the farmer and members of his family should not be as well compensated for their labor as the man who works in a sawmill, in a store, or in any industrial plant in America.

For half a century the farmer of this Nation has been receiving from 5 to 10 cents an hour for his labor as he toiled

to feed the rest of the population. His return may be somewhat higher now, but that has been the record. This condition should and must be changed, and I am sure that no sane or reasonable consumer can or will object to paying a price for the farm products which will yield to the farmer and his family a reasonable wage per hour for their work.

If the Price Administration desires to do something to protect the consumer, it can look after the prices at which farm products are being sold by the wholesalers and the retailers of this Nation. It is not what the farmer is receiving, or what he would receive under the pending amendment, that is crucifying the consuming public; it is what the consumer is being compelled to pay by the middleman, the wholesaler and the retailer.

It is a well-known fact that many of the dairymen are now selling their dairy cows because they are not able to secure adequate labor to operate their dairies and because the prices they receive will not justify them paying the necessary wage to obtain the labor, the amounts necessary for feed supplies and to meet other expenses necessary to operate their dairies at a profit.

We are going to suffer a severe shortage in milk, butter, and cheese supplies if something is not done about it at once, for, remember, Mr. President, it takes 2 to 3 years to restock a dairy farm.

We had better act now before the damage is done and the supplies of dairy products are stopped. It is all right to pass every reasonable law and adopt every necessary policy to regulate inflation, but in doing this we must not bring about our defeat in the war by a break-down and failure to grow the imperative necessities in the way of feed and food supplies for our people, our Army, and our allies.

Mr. BALL. Mr. President, I wish to state briefly my reasons for opposing the pending Thomas-Hatch amendment and urging the Senate to reject it.

The President's message implied that farm price increases have pushed our Nation to the brink of real inflation and that limitations in the original Price Control Act were primarily responsible for this condition. The facts developed before the Banking and Currency Committee do not sustain either charge.

Beef and pork account for nearly one-third of the \$15,000,000,000 of farm income. But O. P. A. failed to place ceilings on meat prices until they had risen considerably beyond the limitations in the Act. I do not blame O. P. A. I think they let those prices go up because they realized that we could not possibly get the production we needed unless they did. But neither can Congress be blamed for the high meat prices.

As for the prices of dairy products on which Mr. Henderson based his main argument, I believe these prices must rise still further, whatever we do in this measure, in order to bring out the increased production of these products essential to the war effort. Dairy products provide \$3,500,000,000 of farm income, and together with livestock account for more than half of all farm income.

Meats and dairy products are the foods we need most in the war effort. If higher prices are necessary to assure full production, then higher prices are inevitable, and nothing we say or do will alter that fact. On the other hand, it does not make sense to increase the prices of grains and cotton where we already have surpluses and are producing more than we need.

But while the testimony before the Banking and Currency Committee did not make out a case for the Administration's charges against Agriculture and Congress, it did show clearly that we are on the verge of a really vicious inflationary spiral, with wages and prices racing one another up the precipice. For those groups powerful enough to keep up in the race, the initial stages of this inflationary spiral are pleasant, and both labor and farmers, to a degree, are enjoying this first stage. If real inflation comes, they will suffer most in the subsequent deflation. The millions of people on fixed incomes who are caught in the squeeze already are suffering.

Knowing the depressed condition from which farm prices began their rise and the struggle farmers have had for 20 years, I believe there is no question that if equity were all that we had to consider here, the farmer is entitled to still further increases in prices and income. Unfortunately, the equities of the situation are not all we must consider. The danger of inflation is a dynamic force which threatens, not any one group, but our whole Nation. The welfare of the Nation must and should outweigh the interests or demands of any or all groups as we draft legislation to meet this danger.

The pending amendment changes the formula for determining parity; in other words, changes the rules in the middle of the game. A few years ago when farmers were looking toward parity, under the old formula, as a goal which would solve all their problems, we heard little of the need for changing the formula. Now, when the old parity has been achieved substantially, the demand is made to change the formula and boost the goal. The public will interpret it as a selfish grab in time of national crisis, and it will be extremely difficult to convince the public otherwise, whether the farmer has equity on his side or not.

This change in the parity formula would boost the permissible ceilings on all farm commodities, not just on those where maximum production is needed for the war effort. It would not apply only to dairy products, where the facts clearly indicate labor costs have increased most and prices must be increased in order to maintain production. It would also boost ceilings on cotton and wheat, where production already is far outrunning our needs. That might be nice for those farmers who prefer to raise wheat and cotton whether we need them or not, but it does not make sense in an all-out war program.

So far as dairy products are concerned, there is ample authority and direction in section 3 of the bill as reported by the committee for increases in those prices

to cover increased labor and other costs. The proviso on page 4 of the joint resolution is as follows:

That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case in which it appears that such modification is necessary to increase the production of such commodity for war purposes, or in which it is satisfactorily shown that by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities.

To imply that the President will not be sufficiently concerned about production of these all-important products to see that proper prices bring it about is, it seems to me, to imply that the President is not interested in winning the war.

There has been a great deal of argument in the Senate about the tremendous differential between farm and urban wages. Unquestionably that, more than the selective service, is what has created the farm-help problem, but I do not believe that in the middle of a war we can or should stop and try to level out that differential which has been with us for centuries.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. VANDENBERG. The Senator has just read a portion of the pending measure which it seems to me is extremely important, and I think the able Senator in his thoroughly courageous analysis of this situation—an analysis I may say in which I substantially concur—has reached the point where it ought to be worth while again to read the provision which is in the pending measure on the question of farm prices:

Provided further, That modifications shall be made in maximum prices established for any agricultural commodity—

It could not be any more wide open—and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case in which it appears that such modification is necessary—

To do what?

to increase the production of such commodity for war purposes.

Mr. BALL. That is the key to it.

Mr. VANDENBERG. That is the key to the thing, and that is what everyone has been talking about here today, and everyone is constantly saying that we will not have production unless the farm-labor differential is acknowledged.

Yet here in specific terms is the mandate to the President of the United States, and anyone who wants to say that the President will refuse to meet a situation with the authority thus provided is prepared to say that the President is not willing to do his full duty in the face of this war challenge. Let me finish reading, with the Senator's permission, from the provision in the pending measure:

In any case in which it appears that such modification is necessary to increase the pro-

duction of such commodity for war purposes, in which it is satisfactorily shown—

What?

that by reason of increased labor or other costs—

Is that not what everyone is talking about here?

by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities.

Mr. President, I submit that the able Senator from Minnesota is entitled to stand on that section of the proposed legislation, and I think I am entitled to stand on it. I recognize the farm problem. I think it is terrific. I think agriculture has been the underdog in this whole procedure from one end to the other, and I think it is being made the goat by a great many political organizations today. I sympathize totally with its anxiety, and its right to be treated with equity, but I submit, in precisely the same argument which the able Senator from Minnesota is making, that in the language just read is the specific directive to achieve every objective to which we all subscribe, and, having written that directive in the measure, I decline to go any further.

Mr. BALL. I thank the Senator from Michigan, and I might add that the very fact that the administration did not impose ceilings on cattle and hogs, when it might have done so, is proof that the President and the administration will recognize this problem, and will keep the maximum prices on dairy products at such levels as will bring about the production we must have.

The most important objection of all to the pending amendment is that it would, in legislation drafted in response to the President's request to tighten price control on farm products and stop inflation, actually raise the permissible ceilings on those prices from 110 to 112½ percent of parity. No arguments or pleas can alter that basic fact. If Congress does that, I believe it will be virtually inviting the executive branch to take over its functions.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. AIKEN. Will the Senator give me some information in regard to the proposed amendment raising the ceiling on certain farm products? Does the Senator understand that the proposed amendment, requiring that farm labor costs be taken into consideration in figuring agricultural production costs, would raise the ceiling on beef above the present price?

Mr. BALL. I do not believe it would.

Mr. AIKEN. Or on pork or other products?

Mr. BALL. I am taking the figures given by the Senator from Oklahoma [Mr. THOMAS] yesterday in response to a question by the Senator from Ohio [Mr. TART]. He said it would raise parity 12½ percent on the average.

Mr. AIKEN. Does not the Senator from Minnesota believe that farm labor

costs are a legitimate factor in computing the cost of farm production?

Mr. BALL. Of course, they are a legitimate factor; and they are taken care of. They are reflected in the present formula. As I understand, the present formula is based upon the relationship between the things which the farmer buys and the things which he sells. The increasing wage level is reflected in the things which he buys.

Mr. AIKEN. According to the figures from the Bureau of Agricultural Economics, the present formula gives farm labor absolutely no weighting whatsoever.

Mr. BALL. It does not give it directly, but it certainly gives the cost of labor a weighting indirectly in the things which the farmer buys.

Mr. AIKEN. Let me remind the Senator from Minnesota that today industrial wages have been bid up by those who are engaged in making goods which do not enter at all into the computation of farm parity. The wages of those engaged in making battleships or airplanes are not computed at all in estimating farm parity.

Mr. BALL. They never were reflected. Does the Senator from Vermont believe that this amendment would enable the farmer to bid against a munitions plant for labor?

Mr. AIKEN. The effect of the amendment would be largely psychological. If the amendment should prevail, the farmers would stick to the farms. If the amendment should be rejected, hundreds of thousands of them would say, "What is the use of trying to go on and do things we cannot do, with both the administration and Congress against us?" I say let us tell the farmers that their Congress is not participating in any program to create a peasantry in the United States, but that we insist that agriculture have fair treatment once and for all.

Mr. BALL. I agree with the Senator that the primary effect would be psychological, in that the country would once again get the impression that Congress has been pushed around by the so-called farm bloc.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Minnesota yield to the Senator from Oklahoma?

Mr. BALL. I yield.

Mr. THOMAS of Oklahoma. A moment ago the Senator referred to me as having made the statement yesterday that the amendment, if adopted, would have the effect of raising prices approximately 12 percent.

Mr. BALL. It would have the effect of raising parity 12½ percent on the average.

Mr. THOMAS of Oklahoma. That is correct.

If the Senator will yield further, I should like to refer to a letter which has just been delivered to me. It is dated today. It comes from the National Grange. It is signed by the master, A. S. Goss. The National Grange has a very competent corps of research assistants in Wash-

ington. This letter was prepared after considerable research had been completed. If the Senator will yield, I should like to read a few lines from the letter, in connection with the point raised a moment ago. Quoting from the letter:

It is doubtful if more than 25 percent of the volume of commodities would be affected in any way. Most of these would be affected far less than the 12½ percent estimated in the article.

He refers to some article in this morning's newspaper. Reading further:

The fact is that on the basis of the wild assumption that all agricultural commodities would be increased 12½ percent, the total increase would be approximately \$2,000,000,000 instead of \$4,000,000,000, as estimated. Since many of the commodities would be affected in a very slight degree (such, for example, as soybeans, which could not be raised as much as 3 percent), the net result would be an increase far less than \$500,000,000.

Inasmuch as the matter was mentioned, I thought perhaps I might give the Senator the benefit of the research which has resulted in the letter which was sent to me.

Mr. BALL. I thank the Senator. I was merely taking his statement of yesterday. I agree that trying to find out how the amendment in its present form would operate is probably a very difficult job. So far as I am concerned, I cannot understand how the Department of Agriculture is to compute the value of the labor of the farmer and his wife and children in calculating parity on farm products.

If the dynamics of the inflation picture now outweigh the equities—and I believe they do—then the only effective answer to the danger and to the President's message is an overall freeze of prices, wages, and salaries at their present levels, with broad authority granted the administration to make such adjustments as it finds necessary to correct gross inequities or to maintain or increase essential production. The Senator from Michigan [Mr. BROWN] coauthor of the joint resolution, has stated that that is the objective of the measure.

Such a freeze is already in effect on all prices except those of some farm products under the original Price Control Act. The joint resolution would do the same thing for all farm prices, and authorize the President to do it for wages and salaries.

Congress fixed the standards and the formula under which prices of farm and other commodities are controlled, and the level at which ceilings apply. I believe Congress should do the same thing for wages and salaries. The public generally understands the principles governing ceilings on prices, because Congress wrote those principles into legislation, and they apply equally to everyone. That is not true as regards such stabilization of wages as we now have. The so-called Little Steel formula being used by the War Labor Board has never been clearly stated so that all employers and employees may know its rules; and not one in a hundred of the general public understands it. With the broadening of inflation-control measures to apply to every

economic group in our society, I believe it is absolutely essential that all groups—the whole public—understand fully the formula under which these controls will be applied. That can be the case only if Congress fulfills its legislative function and writes the formula into the statute. If it is left to executive action, the rules can, and possibly will, be changed from time to time. That is neither fair nor conducive to public confidence in the administration of the war effort. The public is entitled to assurance from Congress that all groups and individuals will be treated alike in the application of necessary controls.

Actually, wages and salaries, now totaling seventy-five billions and still increasing, are far more important in their inflationary effect than the fifteen billions of farm income. I expect to call up later an amendment which would write into the pending joint resolution the Little Steel formula for stabilization of both wages and salaries, with direct control instead of the indirect control provided in this measure.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. WILEY. The Senator just mentioned the Little Steel formula. That contemplates the power in the President to increase wages up to 15 percent, to equalize the cost of living, does it not?

Mr. BALL. It contemplates an increase of not to exceed 15 percent over the average prevailing in the industry on January 1, 1941. It compensates for 15 percent of the increase in the cost of living, which now averages about 2 or 3 percent more than that.

Mr. WILEY. Yes; I listened to the interrogatories by the Senator from Michigan [Mr. VANDENBERG]. The Senator from Michigan and the Senator from Minnesota agreed that the joint resolution contemplates, not a mandatory but a discretionary power in the President to take into consideration the increase in labor costs on the farm. That is correct, is it not?

Mr. BALL. That is correct.

Mr. WILEY. As I remember, recently the President made a direct statement to the effect that he was not in favor of permitting the farmer to have that increase in labor costs.

Mr. BALL. No; the President said in his letter to the Senator from Kentucky [Mr. BARKLEY] that he did not favor and was absolutely opposed to any change in the parity formula at this time.

Mr. WILEY. To me, that is the equivalent of what I just asked the Senator. Then we come down to the nubbin of the whole matter. The question is, Shall Congress, which has the legislative function, tell the President what the formula shall be, or shall we simply say nothing on the subject, and let the President use his discretion in the matter? Is not that the nubbin of the whole thing?

Mr. BALL. The nub of it is that if we adopt this amendment we shall be changing the rules in the middle of the game. As the joint resolution was reported by the committee, it would give the President authority to recognize increased costs, and to raise maximum ceilings

when necessary to increase essential production. We are fighting a war. We want to increase the production of certain products. We do not care about increasing the production of others, because we have too much of them as it is. This amendment would apply to all of them.

Mr. WILEY. The Senator is sponsoring an amendment which would direct the President to take into consideration the 15 percent increase for labor. The Senator would change the rules in the middle of the game in that respect, would he not? That argument does not appeal to me, I might say. We constantly change the rules here. The vital problem here is how to get production of vital foodstuffs. The consuming public is most concerned in that result as well as our armed forces and allies. We should cut out the smoke screen and get results.

Mr. BALL. If I may interrupt the Senator, my amendment would not direct the President to allow a 15 percent increase. It provides that the maximum increase he may allow is 15 percent.

Mr. WILEY. Mr. President, will the Senator yield further to me?

Mr. BALL. I should like to conclude my remarks.

Mr. WILEY. If agreeable to the Senator, I should like to make a few observations for a moment or two.

Mr. BALL. In a moment I shall be glad to yield the floor to the Senator. Meantime, I desire to conclude my remarks, because I am almost through.

Mr. WILEY. Very well.

Mr. BALL. We recognize that there will be some injustices and inequities in an over-all freeze. Some groups and individuals may be caught in a less advantageous position than others. But it was tough on the automobile dealers of America when they were frozen out of business last January. It was even tougher on the boys who died on Bataan and in the Solomons. War is tough; and no matter how hard we try, its burdens will not be distributed with absolute justice.

So far we have been content to talk a very tough war, but to fight a soft one, so far as the home front is concerned. I believe it is past time to put into effect an all-out domestic war program at home to match the all-out war our boys are fighting abroad.

The great economic organizations of business, labor, and agriculture perform valuable services in our democracy. But inevitably they are primarily concerned with their own special interests, and sometimes, in their preoccupation with their own group problems, their leaders overlook the national welfare.

I believe it is the duty of Congress in this time of crisis to determine national policies solely on the basis of what is best for the welfare of the entire Nation, and to resist the pressure of groups which seek special privilege or unwarranted advantage. I believe that principle should apply whether the group involved is a farm organization, a labor organization, or a business organization.

Mr. GILLETTE. Mr. President, on two or three occasions when various matters were pending before the Senate for

action I have occupied the time of the Senate in discussing my general views on farm problems. I have no intention of going over those grounds or of further imposing on my fellow Senators. I expect to occupy approximately 10 minutes in discussing two factors which I feel have not been directly alluded to or sufficiently discussed in relation to the pending proposal.

Before I discuss those two factors I desire to take occasion to pay my respects to and endeavor to express my own personal appreciation of the painstaking work, labor, study, and sincerity of purpose which my colleague the junior Senator from Michigan [Mr. BROWN] and others of his coadjutors and collaborators have expended on the proposed legislation. I feel that they are entitled to great credit. I have discussed the various problems with some of them. I have found them ready to concede everything that is reasonable; and I wish to sincerely commend them, even with the split infinitive which I have just now used, for the very excellent service they have rendered to the country. I wish to say in that connection that their task was not only extremely difficult but it was impossible. In a few minutes I hope to state why I feel it was impossible.

Before explaining that matter I wish to say that I shall support the pending measure, regardless of whether the Thomas-Hatch amendment be agreed to or whether it be rejected. I shall support the Thomas-Hatch amendment because I think it is basically sound, because I do not think there is any logical reason under the heavens for not including it in the pending legislation.

However, whether it be agreed to or rejected, I shall support the pending legislation, and at the same time shall express my belief that the legislation itself will be ineffective for the same reason that I mentioned a moment ago when I said that the task assigned to those eminent Senators was impossible.

Let me read two or three paragraphs of a reprint which I hold in my hand, which will succinctly and convincingly state my reasons for supporting the Thomas-Hatch amendment. This is a reprint from the Country Gentleman magazine under date of July 31, 1942. It is an article by a very learned gentleman from my own home State, from the State Agricultural College at Ames. I read the following excerpt:

One thing is plain, if there is anything to economic analysis, the livestock economy of the United States cannot be managed according to a 1910-14 set of price relations without greatly reducing its efficiency in volume of output and the income of the farmers.

Prices must be forward looking. They cannot be tied to the past. The deadweight that is inherent in the 1910-14 relationship is enough to sink agriculture. The war is making this fact most patent. To go back 30 years for basic price directives is economic folly when one considers the colossal changes that have occurred since then.

Let me use a homely illustration. If 20 years ago my little boy asked me to buy him a suit of clothes similar to what the other boys were wearing, and if I promised it to him, but if I waited until yesterday to buy it, and yesterday I said

to him, "Son, I am going to buy you a suit of clothes such as the boys wore 20 years ago," that outmoded suit of clothes would be a graphic illustration of the type of parity relationship which we would have if we were not permitted to develop the parity concept in the light of the present situation.

An assertion was made, and a few moments ago there was a colloquy on the other side of the Chamber between the distinguished Senator from Minnesota [Mr. BALL] and the equally distinguished Senator from Michigan [Mr. VANDENBERG], to the effect that the pending measure envisions such a situation, and would clothe the President with the power—not discretionary, as certain Senators allege, but compulsory and directive—to act. I do not intend further to delay action on the matter; but let us see what the so-called O'Mahoney amendment which the committee has reported would do:

Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case in which it appears that such modification is necessary to increase the production of such commodity for war purposes—

There is the first condition—
or in which it is satisfactorily shown—

To who, and by whom?—
that by reason of increased labor or other costs to the producers of such agricultural commodity—

Now listen; by reason of those factors, if it were satisfactorily shown by someone to someone else—that its impact on the farm economy is destructive? No. The President simply would have to find that, because of those things, either their effect on the war program or because someone was able to show him that by reason of the increased labor cost—the maximum prices so established will result in gross inequities.

The President would not have to be convinced that there was injustice to the farmer or that the farmer was unable to carry on because of his unfair position, but he would have to find that gross inequities would result. He would not abuse that discretion. I am just as convinced as any other man can be that the President would not abuse that discretionary power; but why place it in the hands of any man? Why not exercise the legislative responsibility which is placed by the Constitution in the United States Congress and write into the measure, when we are delegating the power, the directive to take that element into consideration on such discretionary basis as he might see fit, but direct him, under our constitutional obligation, to exercise that authority? That is all the Thomas amendment is.

I repeat that, whether the Thomas amendment be agreed to or be rejected, I shall support the joint resolution; but in equity, in honesty, or because of any other consideration, I can see no reason why we as legislators should not perform the function which we are required to

perform, and, instead of having that inchoate, formless, amorphous discretion which is embodied in the committee amendment, make a directive. Then the President would exercise the discretion; he would determine. That would be sound, logical, and proper; and we would direct him to do it, not on the basis of an outmoded "suit of clothes" but in the light of present-day conditions.

Mr. President, that is all I care to say about that particular phase of the matter.

A moment ago I said I would refer to two matters which had not been generally discussed here. I said I should discuss why I think an impossible task was assigned to the worthy members of the committee and why I think the product of their work—giving them every credit to which they are entitled—will not be successful. Again I shall give a homely illustration: There are three tools which are necessary in order to build a house. Many other tools could be used for the refinements; but the three tools which are necessary are a saw, a hammer, and a square. We could not direct the junior Senator from Michigan [Mr. BROWN], the senior Senator from New York [Mr. WAGNER], and other Senators to build a house, but no saw, and expect them to convert a pile of lumber into a building, any more than we could give them a saw and a square, but no hammer, and expect them to do it.

What are we attempting to do? As every student of political economy knows, three factors go into the production of wealth. They are the raw material, the labor to process it, and the distribution and handling costs. Almost every editorial on the inflation problem which has been written in this section of the country has had in mind two things—hold labor down; do not let it run away; hold farm prices down; do not let them run away. Keep these factors under control or you will have inflation. The third factor, however, without which there can be no effective action, is entirely left out of the picture.

In 1935 the Congress delegated to the Federal Trade Commission the power, and directed it, to make a study of the cost of the production and distribution of farm products, and appropriated \$150,000 for that purpose. The Commission worked for over 2 years on that task and then submitted a report. Some of the Senators present, no doubt, will recall that there were but 4 copies of it published, and we worked here for a year and 8 months to have 1,600 copies of it published so that the public could obtain it.

The Federal Trade Commission found that in this country in some cases only 26 cents of the consumer's dollar went to the producer of the raw material, and that, on the average, it was 47 cents, while the average in Europe in pre-war times was 75 cents on the dollar. The Commission reached some surprising conclusions and submitted them to Congress in March 1937. That report ought to be read by every Member of the Congress, if it has not been so read, and by every student of this question through-

out the country. From a reading of it the conclusion must be reached that the difficulty which is facing us today, the thing which makes this problem acute at this time, is not grasping by labor alone, it is not grasping alone by the greedy farmer, but it is—and I use language that is generally used—the unconscionable profiteer and racketeer who stands between the producer and the consumer.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. GILLETTE. I am glad to yield to the Senator from Montana.

Mr. WHEELER. I should like to call attention to the fact that I was the one who offered the resolution calling upon the Federal Trade Commission to submit the report to which the Senator has referred, which, as the Senator says, took 2 years to prepare, and which, from the farm standpoint, was one of the most remarkable documents ever submitted to the Senate. It was given, however, very little publicity, and it is almost impossible to get copies of the report for Members of the Senate.

Mr. GILLETTE. I thank the Senator from Montana, and I will supplement the statement I just made by saying that it is to the eternal credit of the Senator from Montana that he took the initial action which resulted in there being submitted to Congress that voluminous and well worth while study which was given to the Nation and which we have largely left inoperative through lack of action on our part.

Let me give another illustration. Here [indicating] is the price level the farmer gets. There [indicating] is the necessary differential before his product is made usable for the consumer, and here [indicating] is the level of prices paid by the consumer. Unless some support is given to farm prices, if the differential is allowed to be expanded, farm prices are forced down to a lower level. It is inescapable; nothing else can happen; that is what is happening.

The eminent Senator from Mississippi [Mr. BILBO] referred to beefsteak which he tried to buy a day or two ago. I went to one of the chain stores in this city yesterday. I had in my hand a newspaper, published in the little town in Iowa where I live, advertising the foodstuffs which were for sale.

The prices in Iowa for pork loin were: End cut, 25 cents a pound; center cut, 29 cents a pound. Someone may suggest that Iowa is a hog-producing State, but let me say that every pound of pork chops which we use on our tables in Iowa comes from the packing centers. We ship the livestock to Chicago, where it is processed by the packers, and then sent back to Iowa. As I have said, I went into a chain store in Washington and priced pork loin. The price was 45 cents a pound, as compared with from 25 to 29 cents a pound in my home State, but it was advertised by the Washington purveyors of the meat as an attractive price, and the customers were urged to come in and buy it at 45 cents a pound.

Let me take another article, which is not produced in my home State, and compare prices. Let me take oranges. Heaven knows that oranges are not pro-

duced in Iowa, but in Iowa oranges were selling two dozen for 35 cents. In the Washington store yesterday they were from 45 to 60 cents a dozen—45 cents for the small ones and 60 cents for the large ones. Take apples. Washington is close to the heart of the apple-producing section in Virginia. In my State, where apples are shipped in from this section of the country, they are selling 5 pounds for a quarter, while in Washington they are selling 4 pounds for a quarter.

Let me interpolate that I talked with the manager of the store, and he said, "I am ashamed to face my customers when they come in here and I tell them these prices. I have been 30 years in this business, and there is not a particle of justification for it; it is highway robbery, and I do not want to participate in it."

Yet every time a customer in the East goes into a store on the eastern seaboard and he sees that beefsteak has gone up, bacon has gone up, pork chops have gone up, mutton has gone up, lettuce has gone up, white potatoes and sweet potatoes have gone up, and the storekeeper says, "We will have to charge you so much," he is told that it is because the greedy farm bloc of the United States Congress is insisting on the farmers grabbing more than their proportionate share of the consumer's dollar.

So I say that any attempt made by the Congress to hold labor within bounds, as it ought to be held, and to hold the producer of the raw materials within bounds, as he ought to be held, without regulating the conscienceless group responsible for distribution and handling, will be largely ineffective.

Let me use an illustration that came to my personal attention. A truck driver on his way to the Chicago market with a load of chickens in crates is stopped outside and is told, "You have to unload these chickens into our crates and pay us a dollar a crate before you can take your load into the commission houses." The chickens are all right in the crates of the truck driver and the crates cost only 20 cents each to make. The truck driver says, "I do not care to unload." He is told, "You would like to take your truck back home, would you not; you would like to see your family again? Then unload those chickens and pay us a dollar or you do not go inside the corporate limits of the city of Chicago."

Let us consider another matter to which the Federal Trade Commission called attention. There is a fish market at Gloucester, Mass. A man brings his fish to the market and says, "How much will you give me for my fish?" He is told "6 cents a pound." He says, "I cannot pay expenses with that kind of price." Then he is told that there is a fish market in Boston and he can hop to Boston or take them to New York. In the case I have in mind he went to New York and inquired how much he could get for his fish. He was told 5 cents a pound. He said, "I could have gotten 6 cents at Gloucester." He is then told, "Well, you should have taken it. You can get 5 cents for your fish here. Take it or leave it." He has no choice; the

fish will not keep, and so he has to subject himself to that grasping, greedy crowd. I do not mean to suggest that all middlemen are grasping and greedy; there are legitimate charges, such as handling charges, transportation charges, commission charges, which are very proper, and which must be paid under any method of distribution, but what I object to, and so long as I can speak I shall continue to object to is the constantly reiterated, unjustified assertion that labor on the one hand and the farmers on the other hand are responsible for spiraling inflation. No attempt is made in the pending legislation—I say it in all kindness to those in charge of the bill—to control it.

Oh, yes; there was such a proposal, but there was stricken from the joint resolution the only possible phraseology that could be definitely effective in that connection. The paragraph originally read:

The President is authorized and directed * * * to issue a general order stabilizing prices, wages, salaries, and other factors.

The words "other factors" were stricken out. It was feared, possibly—no, it is unkind and unjust to say there was fear, but someone had in mind that the other factors, which represent more than 50 percent of the cost according to the Federal Trade Commission's study, would enter into it, and so the authority was taken away.

Mr. President, I wish to refer to a statement made by the eminent senior Senator from Ohio [Mr. TARTT]; and I may say, to be facetious for a moment, I was interested a moment ago when the Senator from Illinois was speaking, when he said he agreed with a statement made by the Senator from Ohio yesterday, and the Vice President said, "Without objection, it is so ordered." I did not agree with the Senator from Ohio yesterday, and, the order of the President of the Senate notwithstanding, I am not agreeing with him today. But I wish to refer to the other section to which the Senator from Ohio referred, carrying out my wish to be fair. It reads:

And no maximum price shall be established or maintained under authority of this joint resolution or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section.

That is a plausible statement, but one could take the words making up that paragraph and let them go up in the air and come down in any order at all, and they would be fully as meaningful a proposal as is contained in the proposal now before us.

Let me illustrate what I mean, Mr. President. I shall not take the suit of clothes I am wearing as an illustration, because mine is cotton, but I will use the suit of clothes worn by the senior Senator from Wisconsin [Mr. LA FOLLETTE], who sits before me. How is a price ceiling to be placed by the President on that woolen suit which will assure the wool grower one of the two price alternatives? How is he to determine that the shirt I have

on, which cost me \$2.50, though I bought one like it last year for \$1.50—the greedy cotton grower has mulcted me a dollar on that shirt—

Mr. SMITH. The multimillionaire!

Mr. GILLETTE. How is the President to determine that the price he places on that shirt will insure the cotton farmer one of the two alternative price levels? How can he fix such a price on shoes, how can he fix such a price on furniture for the protection of forest products, how can such a price be fixed?

Mr. President, the theory is beautiful. I remember a year or so ago hearing a little song in the Wizard of Oz:

Somewhere over the rainbow away up high
There is a land I dreamed of once in a lullaby.

I am convinced that those who wrote this measure dreamed it once in a lullaby because it is unworkable, and unless some attempt is made to protect the consuming public by bringing in the other elements which are fattening on the public efforts to lay the responsibility at the door of labor and to lay it at the door of the farmer are doomed to the failure which they deserve.

Mr. President, I shall not take my seat without referring to another matter which has no direct bearing on the measure before us, but I am speaking as a cornfield lawyer. On several occasions there has been presented in the Congress the proposal that a piece of legislation which might be considered unsavory or unpalatable may be repealed by concurrent action of the Congress. When perhaps we are delegating unnecessary powers—powers which the Congress should exercise—it is suggested that Congress can recapture them whenever it sees fit by the adoption of a concurrent resolution. In my estimation that is legal poppycock. It cannot be done, and the only reason why I speak about it at this time—I do not care whether it is in the joint resolution or is not; it does not amount to a snap of the finger—is that I do not want the public to be told that when Congress delegates this power it retains within itself the power to recall it by concurrent resolution.

As every one of my colleagues knows better than I do, the Constitution of the United States provides, in article I, section 7:

Every order, resolution, or vote to which the concurrence of the Senate and House of Representatives may be necessary * * * shall be presented to the President of the United States; and before the same shall take effect, shall be approved by him, or being disapproved by him, shall be repassed by two-thirds of the Senate and House of Representatives.

Let me read from volume 4, page 330, of Hinds Precedents:

Concurrent resolutions began immediately upon the organization of the Government, but their use has been, not for the purpose of enacting legislation, but to express the sense of Congress upon a given subject, to adjourn longer than 3 days, to make, amend, or suspend joint rules, and to accomplish similar purposes, in which both Houses have a common interest, but with which the President has no concern.

In 1897 a member of the Judiciary Committee of the Senate, Senator David

B. Hill, of New York, was appointed chairman of a subcommittee to make a study of this very subject and report, and his report held unequivocally that no such power existed.

We can fix a time limit for legislation. We can predicate it on a condition subsequent that is a reasonable and legal condition. We could not pass a proposal that certain powers should cease when the Senator from Michigan burned down my barn. We could not even predicate it on the theory that they should cease when justifiable homicide had been committed on the Members of the American Senate. [Laughter.] It cannot be predicated on an unconstitutional, illegal, and unlawful thing, and when there are words in a bill to the effect that we can pass a law, and, when we pass the law, provide for its repeal by a concurrent resolution without giving our coordinate legislator, the Executive, power to exercise his function, it is meaningless, and I for one will not sit in the United States Senate and give my consent to such a provision. As the Senator from Michigan very properly said, there is ample precedent, we have done it again and again, but it has no more meaning now than it had before. Its purpose now is what it may have been before, to convince the public that Congress was not abdicating, but was holding control.

In all kindness to the Senator from Michigan, let me call his attention to this provision of the joint resolution. I do not believe it is intended by its framers, I say in all kindness, Section 6, at the bottom of page 5, provides:

The provisions of this joint resolution * * * and all regulations thereunder, shall terminate on June 30, 1944—

That is all right.

or on such earlier date as the Congress by concurrent resolution—

That is all wrong—

or the President by proclamation may prescribe.

Certainly it was not the intention of the framers of the proposed legislation to provide that the President of the United States could by proclamation repeal a substantive law on the statute books. If their intention was to provide that if the President in the future, as a condition subsequent, could find that certain conditions existed, and on that predicate a proclamation terminating the law, that would be justifiable; but the language as drawn says that—

The provisions of this joint resolution and all regulations thereunder—

And he could repeal regulations—

The provisions of this joint resolution * * * may be terminated by proclamation of the President.

There is not a lawyer who will claim that that power should be given or could be given, and I honestly do not believe that the Senator from Michigan—and there is no more learned or astute lawyer in the Senate—or those working with him, intended any such interpretation as that. I direct attention to it as a sort of a left-handed friend of the bill. [Laughter.]

Mr. BROWN. I may say to the Senator from Iowa that I think we could get along pretty well in controlling inflation without section 6 in the joint resolution. If the Senator will agree to vote against the Thomas amendment, which would completely destroy the joint resolution, I shall be very glad to amend section 6 in any manner the Senator from Iowa wants it amended.

Mr. BROOKS. Mr. President, I send to the desk an amendment I wish to propose to the pending amendment. I ask to have my amendment read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to amend the pending amendment by striking out all after the word "law," in line 3, and inserting the following:

plus an amount necessary to cover the increase in agricultural labor costs over that prevailing in the base period used in computing parity prices.

The PRESIDING OFFICER (Mr. MAYBANK in the chair). The amendment is not in order at this time, since it would be an amendment in the third degree, the amendment of the Senator from Oklahoma being an amendment in the second degree.

Mr. BROOKS. Then, I shall offer it later.

The PRESIDING OFFICER. The Senator will have such an opportunity.

Mr. BROOKS. Mr. President, the first Monday in September is generally observed throughout the entire Nation as labor's holiday. On this day the great army of workers, rich and poor alike, all over our country, usually put aside their tasks. It is a recognized holiday throughout our entire country and has been so observed during my entire lifetime.

This year Labor Day was an unusual day, for the vast majority of our American workmen and women celebrated Labor Day at their usual places of employment, turning out an extra amount of material, equipment, and munitions of war to back up our gallant American women and men in the armed forces dispatched to the battle fronts of the world, and our heroic Allies.

For this positive demonstration of loyal devotion to country they earned and received the appreciation of all America. It was truly a practical exemplification of the spirit which will lead us to victory.

Labor Day this year had another national significance, for it was on September 7, Labor Day, that the Congress of the United States was required to meet to transact the business of receiving a written message from the President of the United States which was intended to and did synchronize with another of the President's fireside chats to the American people; the consequence of which was that the message to Congress was carried by the principal newspapers of the entire country. The fireside broadcast was carried by practically all the radio stations of the country, and was printed in part or in full by practically all the newspapers in the land the following day.

The result was that Labor Day was used for a triple-play charge to Congress to "do, or else," and a general impression

was abroad in our country that both the Congress and those engaged in and representing agriculture were responsible for the high cost of living and they jointly were heading the country toward the dangerous rapids of inflation. Further, it was implied that additional authority was necessary to fix the prices of agricultural products so that the President could stabilize wages, and thus save our country from run-away inflation.

First, I believe it was unfortunate and unnecessary to have used Labor Day as an occasion to challenge either the Congress or agriculture. Second, I believe that no new authority was necessary, and that any additional authority would have gladly been granted at the time the price-control bill was originally passed but for the attitude of the administration against it.

Be that as it may, the fact is that Congress is again responding by granting additional authority to the executive branch of our Government not only under the wish but the demand of the executive branch. I intend to vote for the joint resolution, but before I do so I wish to make an observation or two.

Mr. President, it is daily becoming apparent how vast and difficult a task it is to change a nation which has grown great in private enterprise designed for peace, to an all-out directed war effort. It is becoming more apparent that many citizens must, for war purposes, give up their vocations, their business, their homes, and in a measure their freedom.

It is rapidly becoming apparent how vast and difficult a task it is for a nation of 132,000,000 people to raise and properly equip an Army, Navy, Marine Corps, and Air Force sufficient to meet and defeat such treacherous, powerful, and vicious foes as are arrayed against us throughout the world, in addition to fulfilling our commitments to be the arsenal for all the peoples fighting for liberty everywhere.

The dislocations, discomforts, and adjustments are just beginning, but the joint resolution before us today concerns one of the most important and vital problems both of today and of the future, namely, that of agriculture and the constant production and flow of food for victory.

When we launched our unprecedented war effort to meet the attack and the declarations of war made against us, the signal was full speed ahead, to raise the manpower and build the mechanized equipment for the largest military and naval force in our entire history.

Vast organizations were developed to encourage voluntary enlistment as well as to draft the necessary manpower for the naval and military forces. Drives were instituted to secure the manpower, material, and metal to build the equipment.

For a time we were flushed with the excitement and the success we were having in attaining results. Agriculture, the manpower, and machinery to produce the all-essential food supply for our workers, our Army, our Allies, and our other civilian population, were set aside

for later attention. But that time is here.

During the immediate transition from peace to war, the farmer has faced many difficult problems. The most important, of course, was the loss of his labor—either his sons or his hired help. These have been required for military service, and, through voluntary enlistment or draft, they have left the farm to take their places in the armed forces.

An even greater problem was presented by the sudden demand for labor in the building of cantonments and munition plants, as well as industrial plants engaged in war production. The continued increases in wages since the war effort began have brought wages to such height that an unusual number of men have left the farm to obtain these higher wages. The curtailment of priorities and facilities for the production of farm machinery has so greatly reduced the available equipment that farmers are forced at the present time to pay more than the original price for used machinery wherever they can obtain it. This is presenting an ever increasing problem.

The stoppage of any further construction in connection with rural electrification, the curtailment of sugar for canning the crops, the curtailment of rubber, which has in some instances caused great loss by making it impossible to market produce, all have played their part. In addition to all of these and other handicaps, the farmer is put in the light of being unpatriotic, grasping, and profiteering, none of which is true.

The result is that after the charge was made and the proposed legislation was initiated, the farmer, in self-defense presented his problem to the Congress. Every farm organization in my State, including the director of agriculture, has brought this matter directly to my attention. Nation-wide surveys have warned against possible food shortages. Former Governor Frank O. Lowden, of Illinois, a few days ago, in a general statement published throughout the country, warned against a coming shortage of food. I ask to have his statement incorporated in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Without objection, it is so ordered.

The statement is as follows:

I am greatly concerned over a possible food shortage. Responsible officials in Washington now assure us that this is a real danger confronting us in 1943; this in spite of the fact that owing to almost perfect weather conditions, products of the farm this year are the greatest in recent years.

Scarcity of farm labor is proceeding at a progressive rate—attracted by the high wages of labor in munition projects, which the farmer cannot afford to meet, and by enlistments or draft into the armed forces. Thousands of farmers in the dairy industry have been obliged to curtail their operations or go out of dairying altogether. Daily, dairy herds are being sold—many dairy cows going to the butcher's block. The situation in the dairy industry seems to be the most serious. However, there is a growing scarcity of labor in all branches of agriculture.

It takes years, under modern conditions, to train a young man to farm successfully. Especially is this true in the livestock industry, and it is in that branch of agriculture where

the food shortage is already being felt. Indeed, I do not hesitate to say that apprenticeship in agriculture takes longer, much longer, than the training required for employment in the munition plants; and yet, the selective service law in its operation exempts the latter from military service and gives but little thought to the farmer. A very large proportion—there are no accurate figures but I have heard it estimated as high as two-thirds—who are operating farms, either as owners or tenants, are under 45 years of age. These are the men who are producing the surplus of farm commodities which are urgently needed. To take any one of these men from his farm would greatly reduce the output of that farm. This is true only in a lesser degree of skilled farm hands. And yet, we are now told that the operator of the farm, or the trained farm hand, in the coming year, cannot claim deferment on account of his occupation. Unless something is done to stop this draft of experienced farmers from the farm, I fear not only a food shortage, but in all probability a food famine.

Mr. BROOKS. Mr. President, Governor Lowden was Governor of the State of Illinois during the last World War, and has been an agriculturist and dairyman of note with long experience. He knows the seriousness of the situation and warns against actual shortages of food unless something is done at once to relieve the farmers and the dairymen of the country.

The *Prairie Farmer*, which is one of the leading agricultural newspapers of the Nation, has made a survey of farm agents throughout the States of Michigan, Wisconsin, Indiana, and Illinois. As a result of the survey an alarming prediction is made of the lowering of our food production for 1943. I ask to have the brief survey incorporated in the *RECORD* as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The survey referred to is as follows:

Prairie Farmer asked these farm-labor questions of 81 farm advisers and county agricultural agents in Illinois, Indiana, Wisconsin, and Michigan. Their answers spell lower food production in 1943:

Is there a labor shortage in your county now? Yes, 67; not serious, 12; not yet, 2.

Can your county produce as much food in 1943 with the present labor supply? No, 41; doubtful, 9; yes (if can keep present farm labor), 31.

At the present rate of drafting farm boys and farm hands, will any land in your county lay idle next year? Yes, 53; probably, 9; won't be farmed as well, 16; no, 4.

Mr. BROOKS. Mr. President, the *Prairie Farmer* has further made certain recommendations in a statement entitled "Draft Farm Labor To Produce Food." I ask to have the statement printed in the *RECORD* at this point without further comment by myself, but with the view that it may be helpful to the Congress.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

DRAFT FARM LABOR TO PRODUCE FOOD

A. Our 1943 farm production must again break all records if it is to feed: (a) our armed forces; (b) our Allies; (c) our people. (In spite of the biggest agricultural production in history, we are now facing meat rationing.)

B. *Prairie Farmer* foresees these difficulties in maintaining 1943 farm production:

1. New farm machinery is impossible to get. Repairs are getting scarcer.

2. Farm hands have been weaned away from farms by war industries who pay \$10 to \$20 a day. These industries are operated on a cost-plus basis.

3. Much farm labor, deferred by draft boards for the summer months to get in this year's crops, will go into the armed forces by December.

4. Farmers, farm women, farm children have been working 80 to 100 hours a week all summer. There has been much overtime but no time-and-a-half pay. However, there is a limit to human endurance.

5. Because of the labor shortage, dairymen are forced to disperse their herds; cattle and hog raisers to cut down on their livestock; tenants to seek smaller farms; general farmers to sell out or seed down acres that should be in production.

6. The 1942 weather has been the best growing weather in a decade—in 1943 it may be less favorable.

C. Farm critics say: "Let the farmer pay higher wages and he'll get labor." Farm management experts reply: "If dairy farmers paid labor a comparable wage with war industry, the price of milk would be boosted 2 cents a quart. The farmer would have to have more for his corn, more for hogs, more for beef."

D. Sources of farm labor frequently suggested to farmers: Work Projects Administration, high-school boys, farmerettes—and we've had a hint that in Illinois they may try to use men from State institutions. This is all a part of the thinking that caused a draft-board member to say in the spring: "Any bum can farm." Farming is a skilled occupation. A high-school boy or woman can be taught more quickly and efficiently to do a job in industry than to farm.

E. Critics also say farm prices are too high. We ask a question, Would dairy farmers be selling their herds if they were getting rich producing milk? The United States Employment Service in Indiana reports: "More than half of our requests for assistance come from farmers who want someone to run the farm while they work in defense plants or to replace a member of the family who formerly worked on the farm but who now wants to make more money at some other occupation."

F. *Prairie Farmer* still stands on its head line in our February 7 story on farm labor: "Keep 'em working—where each works best!" If any more farm labor is taken into war industry or selective service, farm production will go down in 1943. Our Government must make up its mind now whether it really needs this food as badly as it says it does. Next spring when the farm laborer is in the Army will be too late. The 1943 food-production year has already begun.

G. To guarantee 1943 food production, we call on War Manpower Commissioner Paul V. McNutt and Selective Service Director Maj. Gen. Lewis B. Hershey to—

1. Draft experienced farm labor for productive farms and keep needed farm labor out of the armed forces and industrial plants.

2. Keep up fighting spirits of farm help, thus drafted for farm work, by official recognition of their patriotic services through presentation of an insignia which will label them as patriots of the farm front.

Mr. BROOKS. Mr. President, the situation has become so disturbing that in one county in Illinois, namely Kendall County, a meeting was held of the farmers in the 30 townships making up the county for the purpose of selecting 1 representative in each township to meet with the other representatives and to formulate a plan urgently asking the assistance of the Congress. I ask to have

a letter addressed to me by members of that group incorporated in the *RECORD* as a part of my remarks at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

KENDALL COUNTY FARM BUREAU, INC.,
Yorkville, Ill., September 15, 1942.

Hon. C. WAYLAND BROOKS

Senatorial Office Building,
Capitol Building, Washington, D. C.

DEAR HONORABLE BROOKS: We are a committee appointed to write you and others in authority concerning the labor situation in Kendall County. We have been appointed by a representative group of 30 farmers representing each township and who were appointed by a committee within the township.

This group of 30 farmers in discussing the labor situation within the county feel that you and others in authority do not have the facts in regard to our labor situation.

Kendall is a small county of nine townships with no large towns and with a total population according to the last census of 11,069. We are near the Wilmington defense plant on the southeast, near the Seneca defense plant on the southwest, and near the manufacturing centers of Aurora, Montgomery, and other cities to the north. All of these have drawn heavily on farm labor because they are paying very much higher wages than farmers can afford to pay.

Our local selective service board feels that it is obligated to meet the quota of men to serve in the military forces. Because of this fact and because of the condition explained above, the county is destitute from the labor standpoint, and unless something is done, the situation will be more acute in 1943.

The local selective service board is now required to take men who are definitely skilled in farming and are needed on the farm to the extent that production will be definitely curtailed if there is not a change in attitude toward keeping them on the farm.

We believe the farmers of Kendall county are as patriotic and determined to win the war as the farmers or townspeople in any other section, and this letter is not written in a spirit of criticism, but as an expression of facts. We have numerous reports from farmers who are definitely planning or have planned to cut down on livestock production because of farm boys being called by the draft from farms on which the whole family has worked almost day and night during the present year in order to comply with the request of producing an increased amount of food.

It is our opinion that if necessary from the standpoint of food production and war effort, it would be wise to draft a number of these farm boys and station them on the farm as a part of the war effort. We believe you realize that inexperienced help cannot feed and care for livestock, since livestock feeding is a specialized industry and requires knowledge, skill, and a real interest in order to be successful. Numerous reports were made by the group of damage to farm implements and losses in livestock feeding because of inexperienced help during the past year.

We urge you to give this matter your sincere consideration in order that the situation may be corrected and efficient food production may continue within the county. We believe this can be done in one or both of two ways:

1. The local selective service board could be instructed to be more lenient in drafting experienced farm boys, even if the county quota is not met.

2. Experienced farm boys could be drafted and stationed on the farm for agricultural duty.

Very respectfully yours,
DANA CRYDER,
KENNETH RICKETTS,
SIMON DICKSON,
Committee.

Mr. BROOKS. Mr. President, this letter shows an alarming condition which must be met if we are to have sufficient food production. In addition to the matters which I have presented, I have received countless communications, not from farm organizations but from patriotic men and women who live on the farms in Illinois who have presented their individual problems and asked for assistance.

I have been reliably informed that in one purely rural community in the northern section of my State, the farm auctioneer has booked at this time 50 sales to be conducted this fall. I wish to point out what this may mean. It will take 3 years to replace each milk producing cow sold and sent to the market. If a beef cow is sent to market it will take 3 years to produce another cow for further production of beef. It is difficult, even impossible, in many cases, for the farmer to obtain new farm machinery; so if the machinery of a farm is dispersed among many farms, the machinery, as well as the cattle sold from that farm, will be lost to the war production effort, and cannot quickly be replaced.

Again, I wish to remind the Members of the Senate that we can no longer deal with this problem theoretically or by conjecture. We need facts and action. No farmer can stay on his farm and continue to produce what he has produced in the past, to say nothing of increasing his production, if he cannot have his help, if he cannot have his machinery, if he cannot have a return for his effort, so as to make it possible for him to bid for labor.

This problem is more serious, in my opinion, than the rubber problem. I propose to vote for the pending joint resolution, and the pending amendment, which provides for including an amount necessary to cover the increase in agricultural labor costs over that prevailing in the base period used in computing parity price, with one thought only in mind, to keep the production of food for victory ever on the increase in this country.

If the President sees fit to veto this measure because of the inclusion of the Thomas amendment, then he should do so, as he did the synthetic-rubber bill for which I worked and voted. He should likewise in considering this problem follow the exact example which he set in dealing with the rubber problem, namely, appoint a competent committee, headed preferably by Mr. Bernard Baruch, immediately to survey the entire problem of the production of food and, based on facts and the necessities presented by the facts, he should appoint a food administrator with the same powers that the Rubber Administrator has, namely, to take charge of the priorities necessary for the production of farm machinery, and make his positive recommendations in

regard to securing adequate farm labor, and provide adequate farm prices.

A challenge has been hurled at the Congress with respect to a most vital subject involving the lives and the liberties of all America, as well as our Allies who depend on us for food, and I urge those Members of this body who have the greatest influence with the administration to demand the appointment of a committee at once to meet this emergency. It will be recalled that the rubber problem was muddled and bungled until the President's committee finally reported—

We find the existing situation to be so dangerous that unless corrective measures are taken immediately this country will face both a military and civilian collapse.

Mr. President, the naked facts present a warning which cannot be ignored. Without further delay we should find the facts, and we should act to prevent our country becoming a nation of magnificent blunders, and being constantly on the verge of military or civilian collapse during the greatest war in our Nation's history.

Mr. CAPPER. Mr. President, I am not speaking today in opposition to the objectives of the pending measure to authorize and direct the President to stabilize all prices and wages and salaries. I am in favor of an inflation-control measure, but the joint resolution needs amending. I believe some such program should have been undertaken many months ago, as an aid in retarding and controlling inflation.

One amendment which should by all means be adopted, in my opinion, would provide that the cost of farm labor be included, for the purposes of the act, in computing price ceilings. There is no question that farm-labor costs are now much higher and out of all proportion to what they were when the parity formula was written. Farmers will have to pay higher wages in order to get help—if they can get necessary hired help even at higher wages. The only way farm wages can be paid is out of the prices which the farmer receives for his products. Farm production is absolutely necessary to provide food for the needs of ourselves and our Allies.

We may as well be realistic in approaching the subject of inflation. Whenever Government spending is increased from fifteen, or even twenty billion dollars a year to eighty billion dollars a year—or \$100,000,000,000, as Secretary of Treasury Morgenthau tells us it will be in the next fiscal year—there will be an inflationary rise in prices.

This inflationary rise in prices is bound to be accentuated when we have, at the same time, a sharp and very large decrease in the amount and volume of goods which can be purchased with the money put into circulation by the tremendously increased expenditure of Government funds.

We can retard the inflationary spiral by increasing tax collections—which we are doing to some extent. We can retard the inflationary spiral by individual purchases of Government bonds and by other transfers of purchasing power to

savings. Another step is to control prices and wages by Government edict, which is what is proposed by the pending joint resolution.

It is my judgment that such price and wage controls will have to be supplemented by a severe rationing system. National purchasing power in dollars is on the way toward being doubled. The national supply of goods which can be purchased with dollars is on the way toward being cut in half. To insure those with the least purchasing power an opportunity to obtain goods, it will be necessary to establish that right through an equitable rationing system.

I believe that what I have just tried to say deals with the fundamentals of the problem which we are trying to solve in part through the pending legislation.

I do not believe it is necessary for me to reel off barrels of statistics to show the condition of the farmers in our scheme of things. Facts and figures already placed in the RECORD indicate that the present general level of prices and wages does not give the farmer more than his fair share of national income.

It has been shown also that the cost of foods for the family budget is, in fact, a smaller percentage of average family income than in the 5-year period prior to the opening of World War No. 2. In the years 1935-39, according to the Bureau of Agricultural Economics in a July bulletin, food costs amounted to 27 percent of the family income.

However, in May, June, and July of this year the family food budget took, on an average, only 22 percent of the family income. In the case of industrial workers, the percentage is even less. In the case of salaried workers and professional persons, the food cost percentage would be higher than the average.

The point made is that during the past year and a half—nearly 2 years now—incomes have risen faster than have food prices. So as a matter of equity, it is not necessary to lower food prices or farm prices in order to retain or make a proper balance.

I shall not go further into this general problem. What I wish to say to the Senate at this time has to do with two things, in the main; and they are closely related.

First, there is the problem as it affects the farmer himself, and second, as it affects farm production.

I call attention to a reality in our war program. Any system of prices or wage control, taxation, or rationing, which cuts down or promises to cut down the production of things needed to prosecute and win the war, is bad. It not only is bad, but it may prove disastrous to the prosecution of the war.

Since the President on September 7 sent his message to Congress and delivered his fireside chat to the Nation the same night, I have received hundreds of letter and telegrams on the subject of farm prices and farm income, farm wages and industrial wages, and price and wage controls.

Running through all these letters is a firm determination to do everything possible to win the war. Running through

most of them, however, is the question whether there will be enough manpower left on the farms next year to produce the foodstuffs required to feed our own armed forces, the forces and people of our Allies, and our own working population.

Also through most of the farm letters I am receiving there runs a distrust of what the present administration will do to keep a balance between farm prices and industrial wages which will enable farmers to continue producing needed meat supplies, and especially needed milk and other dairy products. A great many of those who write to me cannot understand why the President asks Congress to enact legislation fixing farm prices but insists on himself taking care of wages, without Congress having anything to do with that part of the problem.

I believe that the dairy farmers are now facing the most difficult job faced by any sizable group in agriculture. Secretary of Agriculture Wickard tells us that already dairy production is falling off, in the face of the fact that the Nation needs more milk, butter, and other dairy products.

Washington demands that farmers increase their production by from 20 to 40 percent. Then Washington drafts away the boys and young men; encourages those not drafted to go to work at high wages for short hours in war plants; denies the farmers needed tires and machinery—and then their Government puts the blame for the inflation on the farmers and “bawls them out” in official messages and on the radio for being a “selfish group.” I say that is not fair to the farmer.

In his message to the Congress, President Roosevelt professed to be particularly disturbed over the rise and threatened further rise in the prices of dairy products as particularly inflationary.

It must be remembered the Government itself has called for greatly increased production of dairy products for our own use and for the needs of our Allies. Upon several occasions Secretary of Agriculture Wickard, himself, has caused price rises by fixing market prices at points higher than prevailing prices, in order to stimulate production.

I also point out—and Secretary Wickard, himself, has made the same statement—that dairy production has not kept up with the dairy production goals for 1942. In fact, dairy production is starting to decrease instead of increase.

I believe that two telegrams I have received in the past 3 weeks almost tell the story of decreased dairy herds and, therefore, decreased dairy production. These should be a warning against trying to hold milk and dairy prices down to the point where they give us less instead of more dairy production.

The first telegram is dated September 12, 1942, and reads as follows:

I own and operate Dornwood Farm, east of Topeka, Kans. We milk 39 cows and have 28 heifers coming on; other stock, including hogs. Farm a total of over 300 acres, selling 250 quarts a day. Unable to supply demand of probably another 250 quarts or more, account Topeka milk shortage, caused by dairies selling out account price ceilings and labor shortages. All our help classified I-A. Unable to get any help; cannot compete with wages and hours other lines. If our present

help is called into service means closing all operations of this farm. Please help if possible; situation desperate.

Mrs. G. E. VALLETTE.

That telegram was received September 12. The proprietor of that dairy farm has been operating at a loss, facing the practical certainty of not being able to get hired labor through the fall and winter. The dairyman as a rule is now in almost direct competition, so far as employing help is concerned, with the higher wages and shorter hours in industrial plants. Furthermore, the operator of this dairy reads and perhaps hears the President's message, with its plain implication that the prices of dairy products are too high, are inflationary, and the Congress must authorize the President to lower those prices.

Yesterday, Mr. President, I received a second telegram from Mrs. Vallette. It reads as follows:

TOPEKA, KANS., September 21, 1942.

Forced to sell our dairy herd. Advertising sale now. Two other dairies selling this week.

Mrs. G. E. VALLETTE.

Mr. President, I am not reading these telegrams merely to show that price ceilings and high wages have forced a dairy operator to sell her herd and go out of business. The point is that this means a decrease in milk production at a time when increased production is needed. This is not an isolated instance. I have received word of scores, perhaps hundreds, of similar forced sales in Kansas, and Kansas is not a great dairy State.

Mr. President, the dairy farmer today needs a floor-price guaranty from his Government, not a price ceiling. Also he needs assurance that he will be able to get the necessary labor to handle his milk cows day after day. Dairying is not a 5-day-a-week, 8-hour-a-day operation. Cows must be properly fed, and carefully looked after by persons who know how to care for them. They must be milked regularly.

In view of the huge demand now being made and which will continue to be made on agriculture for increased foods and fibers, it can be said that the problem is one of manpower to get increased production, instead of merely a problem of prices, but we cannot ignore the price problem.

The only way the dairy farmer, the vegetable grower, the fruit farmer, the grain farmer, and the livestock producer can pay their hired help—if they can get it—is from prices received for their production. When contractor and workers agree to higher wages in a war plant, the Government Treasury provides the additional funds—and the cost of living is on its way up again.

But when the farmer—and this also applies, of course, to businessmen not holding Government contracts—has to pay higher wages—if he can get the help to whom to pay the wages—he can only pay them out of the prices received for his products.

I wish to impress upon the Senate, and especially upon the Price Administrator and, I might say, upon the White House, in view of the White House statements about dairy prices, that unless adequate prices and sufficient labor are provided, dairy production especially is

going to fall off, and fall off in extreme volume, within the next few months.

It is impossible to replace a dairy herd and bring back dairy production overnight. What I fear is that the Government will wait until dairy herds are broken up and dairies have gone out of business by the hundreds before providing prices and labor to keep them going; and then again it will be too little and too late.

Mr. President, what I have just now said about dairying applies, in greater or less degree, to other branches of American agriculture. At the present time the dairy situation is most acute. Other branches of farming which require large numbers of workers and long hours of hand work also are affected.

The real problem in farm production is manpower. I know that manpower will not be obtained merely by paying higher wages; but higher wages are one of the things needed to keep boys—aye, and girls—hired men, and even farm operators themselves on the farm, and farm wages have to be paid out of prices received for farm products.

I believe that my colleague, the junior Senator from Kansas [Mr. REED] gave one of the most complete and illuminating expositions of the statistical picture of the American farmer that has been placed before the Senate and the country for a long while. So it is unnecessary for me to cover that ground at this time.

I do desire to tell the Senate what some actual farmers have to say on the subject. Mr. Dana K. Clark, of El Dorado, in Butler County, puts it in this way:

Here I am, for one example, milking 14 cows. A year ago oats cost me 35 cents a bushel, and today 55 cents. A year ago milk sold for 60 cents per pound butterfat; today for 70 cents.

Last year I had 200 laying hens. Their egg mash cost me \$1.85 per hundred pounds. I sold 12 dozen eggs a day for 36 cents a dozen. Today the mash costs me \$3. The Government asked for more egg production. I added 150 laying pullets, and am getting 32 cents a dozen for eggs.

If prices are pegged at present levels, I and many of my neighbors will have to send our cows and chickens to slaughterhouses.

I have a college education. I decided several years ago to make farming my profession. I live 7 miles from an airplane factory, and can go to work any day I wish. If enough of us farmers forsake the farm for the factories, ask President Roosevelt where he will get the food.

Here is another letter from Butler County, from Mr. Floyd C. Ramsey, who has one of the largest Aberdeen-Angus herds in the Midwest. Listen to what he has to say:

DEAR SIR: I am a rancher and farmer near El Dorado, Butler County, Kans. I maintain an Aberdeen-Angus cow herd of 500 head. In addition I have 800 head of feeder cattle that are quite fleshy and will soon be ready for the feed lot, for full feeding to make the beef we so badly need.

To maintain these cattle I farm 700 acres of good farm land, located in three separate farms approximately 7 miles apart. There is in addition approximately 9,000 acres of grass land which lies west of these farms.

My farming operations are so planned that the cattle consume all of the output from these farms and no cash feeds are raised.

There is a very excellent feed crop on hand in this community that will shortly be ready to harvest. The principal feed crops I speak of are corn and several varieties of sorghums. We are also just approaching the fall planting season. In other words our work is just starting, and there is not enough labor available to take care of our routine work not to mention the harvesting.

I am not speaking of myself only but of a great majority of the farmers and ranchers in this community. We have advertised for farm labor in local papers and in the Kansas City paper with very little (no) results.

The three big airplane plants at Wichita, Kans., one at Hutchinson, and several defense construction jobs have taken all of our supply of labor, and in addition there is the threat of the selective service digging deeper and deeper into our already depleted supply of manpower.

The country is faced with a shortage of meat, but we on the farms and ranches have the feed and a goodly number of cattle which combination will make the meat so badly needed, if we can get the labor necessary to do that job.

Tire rationing has hit us hard—but the authorities must know that our cattle must eat every day and when our operations are on a large scale feed must be transported by trucks. Time is an important factor—each day every cow-brute must eat or our beef shortage would grow larger. Cattle will not get fat waiting for a tire some construction job has taken.

Gasoline rationing is imminent—the authorities must know that gasoline in large quantities must be used to plant and harvest our crops or there will be no feed—and gasoline must be furnished to transport the feed to the cattle or there will be no meat.

The ceilings the President has asked for (if placed at the present levels) will let us get along. But it is absolutely necessary that labor shall also operate under ceilings and those ceilings should be placed by Congress simultaneously. Don't do a half-way job, place ceilings on labor and farmers at the same time and then we are sure that each will be regulated.

We farmers and ranchers are ready and willing to do our part in our all-out effort. We cannot pay wages on the farm in competition with the airplane factories and defense construction. We must have labor or we cannot produce the meat. We must have tires and gasoline or we cannot produce the meat.

Give us some backing and we will produce the meat.

Yours truly,

FLOYD C. RAMSEY.

Mr. President, I have received a number of other very interesting telegrams and letters protesting against the present situation, and particularly as to the inability of the farmer to obtain the help necessary to carry on his operations. I could consume some hours of the Senate's time in reading similar letters from bona fide farmers, each telling much the same story from his own situation. Instead of doing so, I ask unanimous consent that the telegram and letters I now submit be printed in the RECORD at this point as a part of my remarks.

There being no objection, the telegram and letters were ordered to be printed in the RECORD, as follows:

KANSAS CITY, Mo., September 21, 1942,
Senator ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.:

I understand in connection with new tax bill your committee has revoked the so-called Johnson amendment which we regret,

but I now understand there is proposal before Finance Committee that in the case of coal-mining property there shall be allowed as a credit against the excess-profits net income in addition to any excess-profits credit otherwise allowable an amount equal to one-half the product of a unit net income from the property for the taxable year and the amount by which production for the taxable year exceeds the average annual production from property for the base period. This proposal in lieu of the Johnson amendment would give some relief to coal operating companies that are attempting to increase production to meet our war requirements in face of increased costs brought about by untrained labor, higher costs of supplies, delays of allocation of replacement materials and other costs incidental to the war effort. I sincerely urge that you favorably consider some relief on excess profits on new production over and above the base period to stimulate production as has been the case in other minerals. Your consideration is respectfully requested.

KENNETH A. SPENCER.

KANSAS POULTRY

IMPROVEMENT ASSOCIATION,

Manhattan, Kans., September 18, 1942.

Senator ARTHUR CAPPER,

Senate Chamber, Washington, D. C.

DEAR SENATOR CAPPER: A labor shortage confronts the baby chick hatching industry of this State. Some hatcheries indicate that they may be unable to operate unless they are able to hold their present employees, because replacements are practically impossible.

This means that if hatcheries are unable to operate, the number of chickens raised will drop and fall short of the Nation's requirements. This we would not like to see happen for food production is essential to the war effort.

Hatcheries are unable to compete with many nonagricultural industries at prevailing wage scales. Agriculture is at a distinct disadvantage.

Draft regulations should be relaxed, if at all possible, in order to relieve this situation. We know of a number of cases where the machine operator has been called and the hatcheries are seriously handicapped.

Your assistance in this matter will be appreciated.

Very truly yours,

THE KANSAS POULTRY

IMPROVEMENT ASSOCIATION,

R. G. CHRISTIE,

General Secretary.

KANSAS CITY, September 15, 1942.

HON. ARTHUR CAPPER,

Senate Office Building,

Washington, D. C.

DEAR SENATOR CAPPER: * * * Most farmers feel that inflation should be curbed. They also feel that the President has favored labor unions at the farmer's expense.

Consumers as a whole seem to think that the extremely low prices paid for farm products during the depression were fair prices when in reality they were not normal and nearly wrecked the farming industry. Recent prices of cattle and hogs are not exorbitant, in fact, are very reasonable, everything considered. In 1925 wheat sold at \$1.50 per bushel, corn at \$1, barley 75 cents, and cotton over 20 cents a pound. Cattle prices were about the same as they are now and hogs \$11.50 or a little better. In 1937 cattle were \$1 to \$2 a hundred higher than they are now. During the two above periods we were at peace, did not have war and inflated wages as we now have, and the consumers bought the products without much complaint.

Farmers doubtless would be willing to accept August prices for cattle and even some

reduction in hog prices, in spite of the fact that we are now at war, unless inflation developed in other industries to such an extent to justify higher prices for farm commodities. This seems to be in line with the President's request in his recent speech that ceilings should be either parity or the highest price of the commodity between January 1, 1942, and September 15. One thing is sure: unless we do assure the cattle feeder a reasonable profit on his feeding operations, there will be a big shortage of meats. We have conclusive proof of this by the fact that we have had such a large increase in unfinished cattle on the market the last few months and the country needs prompt assurance in order to take the fear element out of their operations.

Statistics show that those employed in industries now spend a smaller proportion of their earnings for food than at any time since records were kept. Under such conditions the public really feels that Congress should keep control of the inflationary machinery and see that the President's appointees do not fail to deal fairly with both labor and the farmer.

Trusting you will use your best efforts to this end, I remain

Very truly yours,

A. J. MAURER.

MINNEAPOLIS, KANS.,

September 18, 1942.

HON. ARTHUR CAPPER,

Member of Congress, Washington, D. C.

DEAR SIR: We are very much in favor of the legislation our President is insisting on Congress enacting covering farm prices and wages. Also that this legislation extend over a number of years into the post-war period, also they each have a floor as well as a ceiling, or better still a fixed price and fix it now. We are hoping too that Congress will exhibit sufficient statesmanship to assume their own responsibilities in due time and not shift their burdens on an already overworked President in a critical time like this. Individual interests should not be considered, we know your path is not all roses, neither is ours.

Respectfully,

Mr. and Mrs. O. E. HARDESTY.

MCBRIDE HATCHERIES,

Rock Creek, Kans., September 17, 1942.

Senator CAPPER,

Washington, D. C.

DEAR MR. CAPPER: We are writing to let you know the situation here in Kansas.

The labor situation for the hatcheries and farms is very critical. We are at a great disadvantage as we are unable to compete with other industries at present price levels. We positively do not make enough money to pay the price for labor that other industries do. It is not a question of not wanting to, it is an impossibility. In depression times our prices were below cost of production and many many farmers lost their homes. Now our prices are higher but not nearly as high as others in comparison. Increase in price of farm products is on gross income and not net income—labor's gain is net. We ask that you please consider this in setting ceilings and minimums. If something is not done soon farmers will be forced to quit and in fact many are now having sales because of lack of labor. Lots of them are getting work in defense plants because they receive wages so much above what they can make on farms. What will the country and soldiers do if we cannot raise the food to feed them? Also many hatcheries are not going to be able to operate because of labor and also farmers will be unable to pay the price for chicks that we will have to have. Please come to our rescue.

Help us with our price and labor problems. Thanking you for anything you can do.

Yours very truly,

Mrs. H. H. MCBRIDE.

ERIE, KANS., September 7, 1942.

Senator ARTHUR CAPPER.

DEAR SIR: It appears that Mr. Roosevelt wants to be dictator of the United States, and it seems to me that now is the time to stop him as he has gone far enough. You know and I know that farm prices are not up to parity compared to labor. Grain prices are considerably below parity prices also. If there is to be a ceiling placed on farm products let's also have a floor at no more or less than parity. Cattle prices may be a little higher than parity, but grain prices are considerably lower. If Mr. Roosevelt was fairminded he would realize this. As a supporter of yours all I ask is that justice be done to the farmer and labor alike. If the farm prices are cut, also cut labor to the same level.

Yours respectfully,

J. FRANKENBERGER.

MOUNDRIE, KANS., September 7, 1942.

Mr. Senator CAPPER.

DEAR SIR: Just to let you know that I am in favor of setting the price of farm products providing other prices are held as they are. Wages should be set also.

I am a mid-Kansas farmer and raise cattle, milk cows, raise hogs, chickens, turkeys, wheat, oats, barley, rye, alfalfa, and kafir, and under present prices am able to make a net profit on everything excepting chickens. I am satisfied with parity and do not want a cent more.

From a fellow American,

PETER A. DYCK.

PERRY, KANS., September 7, 1942.

Senator ARTHUR CAPPER,

Washington, D. C.

DEAR SIR: In a recent broadcast of yours, you invited anyone who had any suggestions to write and after hearing the President's broadcast tonight I feel compelled to write.

First, I wish to say that I do not speak for any group but have talked with some people on the matter on which I am writing and they all seem to feel as I do. I feel that to control and prevent inflation is a very sound idea and is for the benefit of the entire country. I think that everyone must and should expect to sacrifice, but think that sacrifice and limitations should be applied as equally as possible. I am willing that farm prices should be controlled and kept in line with other prices but when I read and hear of the (what I consider exorbitant) wages being paid to workers in defense plants, the extra pay for overtime and holidays, the strikes, demands for higher wages, jurisdictional disputes, etc., statements by high officials that we are not producing nearly the quantities possible in our factories, I am angered when I hear that the farmers are trying to get too much. Farmers have been asked to produce more this year and from what I read they are meeting the goals and are doing it with less help and at greater expense.

We are told that we don't realize here in the Midwest the seriousness of the task we are faced with. Well, everyone I have talked to think they realize what faces the country and wonder if some of those who belabor us do. We think that labor should have a fair share and realize that the rise in the cost of living has worked a hardship on a good many families. We also think that organized labor is and has been the administration pet and are full of foreboding for the future if they are allowed to continue on their present course. We don't see how part of the people, can with their profits controlled and their costs of production raised by the ones they are taxed to pay, make enough to pay the taxes they will be called upon to pay.

I would like to call your attention to two articles in the September issue of Reader's Digest. One, the article Waste—The Enemy at Home by Harry F. Byrd, the other Regulating Unions for the Common Good, by William Hard.

It seems that we could get along with the Agricultural Adjustment Agency for the present at least, and the millions of dollars and thousands of workers could be put to a better use.

I would like to see Congress take a greater part in the affairs of the Nation, and pass legislation that would be for the benefit of the country regardless of whether it would win or lose votes.

Yours truly,

ALLEN ENOS.

MORRILL, KANS., September 9, 1942.

Mr. Senator CAPPER,

Washington, D. C.

DEAR SENATOR: I will write you a few lines after hearing President Roosevelt's talk on the radio Monday night. I am a farmer and cannot agree with what he said about price fixing. He wants farm prices to be reduced to parity and leave other prices be where they are. We know the largest percent of them are sky high. Take taxes, they are about trebled since 1912 to 1914. Take building material, it is so high the farmers cannot build and repair their buildings. Labor is clear out of reason. We farmers cannot hire help without paying two prices. Corn huskers want 12 cents a bushel for husking corn. All kinds of living costs are far above if farmers have to take parity prices. Take a look at the prices of implements—double the price in 1912-13. I have always said Roosevelt is responsible for the high wages. Please give this serious thought.

Yours truly,

R. B. HAWK.

UNITED STATES DEPARTMENT

OF AGRICULTURE,

U. S. D. A. DEFENSE BOARD,

September 14, 1942.

HON. ARTHUR CAPPER,

United States Senator, Washington, D. C.

DEAR SENATOR: I am writing you relative to the agricultural situation in Labette County. Conditions of which you are no doubt familiar. It is a condition which I think is very serious.

First, in checking over the field supervisors' reports of the farms which they have checked under the farm program the reports show some 15 percent of all plow land idle just growing weeds, and a much larger acreage of lespedeza without any grain crop. The lespedeza is a splendid crop this year. This lack of land operation has been brought about largely on account of losing farm operators by the induction of them into the Army and drawing them into war industries.

With the continued inroads being made by the Selective Service and farmers going to war industries I think Labette County agriculture is facing a very serious situation on account of this shortage of labor when we need a greatly increased production of most of the products of Labette County farms.

I believe you are aware that even at present prices the farmer cannot compete with industry in the labor market.

It is interesting to note the extreme effort our farmers are making to produce and harvest their crop. I had recently an occasion to contact many farmers scattered over the county. It seemed the job of most of them at that time was putting up hay. I found the hay crews were mostly two or more families going together to make a hay crew. I found women operating sweep and sulky rakes and 10- and 12-year-old boys operating tractor mowers while older men were doing the heavier work.

Another observation was that with all this effort there is going to be several hundred acres of splendid prairie hay that they will not be able to harvest on account of help. Also that there will be thousands of acres of good lespedeza they would like to have made hay out of that will not be put up.

Many dairymen are selling out or are reducing the size of their herds on account of help.

Our condition may be worse on account of the Parsons Ordnance Plant being located in the county, but I think the situation is general enough that we may be facing a shortage of farm production for 1943.

Am enclosing a copy of the minutes of the September 10 meeting of the Labette County United States Department of Agriculture War Board, where this matter was discussed.

Sincerely yours,

ARTHUR H. HUNTER,
Chairman, Labette County United
States Department of Agriculture
War Board, Altamont, Kans.

SEPTEMBER 10, 1942.

MEETING OF UNITED STATES DEPARTMENT OF
AGRICULTURE WAR BOARD, LABETTE COUNTY

Meeting was called to order by Chairman A. H. Hunter, at Altamont, Kans., at 9:14 p. m. Others present: W. L. McFillan, S. C. S.; K. G. Knouse, S. C. S.; George Cunningham, F. S. A.; J. Creel, N. F. L. A.; M. Wychoff, Extension; and Russell Ritz, State conservationist. Minutes of previous meeting accepted as read.

BOND SALES

Chairman Hunter read a recent letter from State Bond Chairman Griffith requesting that a county rural bond sales committee be set up. Creel reported that the county as a whole has been oversubscribing the county quota. It was the general opinion of the board that so long as the quotas are being met that it should not be necessary to set up another bond drive. Suggested that a letter of appreciation be sent to all farmers thanking them for what they had done to date and encouraging them to continue their purchases. It was felt this was all that was necessary at the present since two previous farm drives have been already conducted this year. Suggested that George Cunningham check with W. W. Barnard, county bond chairman, to see if this action would meet his approval.

FARM PRODUCTION AND LABOR SITUATION

Hunter said that present estimates by Agricultural Adjustment Administration farm supervisors show that at least 15 percent of Labette County cropland was idle last year because of labor shortage. Thousands of acres of good hay can't be put up because of shortage of labor. It was estimated by the board that production will be cut at least 25 percent next year unless the situation can be relieved. The number of farm sales at this time of the year is unprecedented. In talking with many of these men who are selling they state they can't get help so they are quitting and going to high pay defense jobs. All of the larger dairy herds of the county are cutting operations at least 50 percent. Several have already made this cut. They were forced to make this cut because they couldn't get help to continue operating on a larger scale. They can't compete for labor because the prices other industries are paying is so high they just can't compete for this labor with present agricultural prices.

FARM TIRE SITUATION

Hunter reported that W. W. Walker who has the lime-spreading contracts for Labette County can't get 8-inch tires for his truck to haul 5-ton loads. He can't economically haul less than 5-ton loads and can't haul 5-ton loads, and comply with the law

without 8-inch tires. The lime is needed on Labette County farms to increase legumes acreage to provide legumes hay for livestock feed. It was reported that a number of farmers have been turned down on the applications, and will soon not be able to get produce to town.

MEAT

Suggested that the margins be widened between finished and unfinished cattle to help slow up the heavy slaughter of only partly finished cattle, so the total pounds of beef produced will be increased.

SALVAGE

Reported that scrap metal is still moving too slow. Fred Holmes of Altamont is doing a good job.

Moved by McFillan that the chairman send a copy of these minutes of this meeting to Senators REED and CAPPER, and to send a letter of further explanation recorded and carried unanimously.

Moved by George Cunningham we adjourn and carried.

MAURICE I. WYCKOFF,
Secretary.

DORNWOOD GUERNSEY FARM,
Topeka, Kans., September 21, 1942.
Hon. ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR: Since wiring you September 11, one of our men has been called for service and leaves tomorrow; another one has had his preliminary examination, and we expect his notice of call on any mail. We are now forced to sell our farm and are arranging for the sale this week. Must sell as quickly as possible; the cows may have to go to the packing plant, as there are and have been so many sales of dairy herds around Topeka that we do not know if we can sell our Guernsey cows. There are two sales this week already.

People are coming for milk before daylight in order to be able to get it before it is gone. The milk situation in Topeka is serious now, and after this week we will sell no more milk. That source of supply will be gone.

We are hoping we can hang on to our hogs and chickens and some of the young heifers, but we may have to let them all go. How we will get in the crop that is now ready for harvest we don't know.

Aside from what this situation is meaning to us, I have in mind what it means to the entire Nation, and I feel so strongly that every effort possible should be put forth to save the situation or as much of it as can be salvaged. I know what you are doing and what the rest of the Kansas delegation are doing, and we hope that finally by the concerted effort of us all that Washington and Congress will be made to realize the situation before it is too late.

We wish to express our appreciation for the stand you are taking and the fight you are making for us all.

Yours very truly,
MRS. G. E. VALLETTE.

BELLE PLAINE, KANS., September 8, 1942.
Senator ARTHUR CAPPER,
Washington, D. C.

MY DEAR SENATOR: I listened in on the President's big broadcast last night and it sounds like he is getting Hitler fever. Now I have heard a great deal of comment before the broadcast and since; the farmers don't like it. These defense workers are a batch of scabs, there are a lot right from my city, they don't do much but shirk, never would work, but joined the union, get from \$8 to \$15 per day. Farmers can't get help only by paying \$4 to \$5 per day, and take older men that can't get on at defense plants. Now the President wants Congress to take the rap for what he wanted and got, and wants

to change but hasn't got the courage to do, but he don't want Congress to tamper with wages—he will attend to that and it will be on the up and up.

Now if they make the change, let Congress do their duty and fix the farm prices and labor both in the same bill, as you are well aware the unions own him, and he don't dare crack down. He wants something done before election, but wants Congress to take the rap.

If Congress would fix union dues at \$2 per month for the duration instead of letting the big racketeers collect from \$8 to \$150 per month from labor, the difference would take up the rise in price of living. But if you leave it to the President, he will stabilize it every time they go on strike. I know one farm boy pays \$50 per month union dues. What you do on this matter will have a big bearing on the coming election. Get all the help you can, and raise a little h— and the folks back home will be for you. Wishing you success in this and the election to follow. I know you are working against big odds, but there are not as many New Dealers here now as last election. The old men workers and the farmers and stockmen have had a change of heart.

Sincerely,

T. J. MARSHALL.

SMITH CENTER, KANS., September 10, 1942.
Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR: I listened to the fireside chat the other evening and decided to write you and Mr. CARLSON, of the House, as I thought the President was very lopsided and unfair in his criticism of the farmers and their elected representatives.

I can't think that he isn't aware of the fact that wages have risen far more since 1909—14 than have farm prices. Further, the high wages he conveniently forgot to mention are being reflected back in the things we try to buy to farm with. Parity 30 years ago and present wage scales just don't make sense and are discriminatory against the farmer. It doesn't make much difference where prices are at, but we must have a fair exchange of goods and services.

The chat struck me as being an effort to put Congress on the spot for a mess that is more of Roosevelt's making than anyone else, and I want to urge you to insist that Congress legislate farm prices where it thinks they ought to be and at the same time attend to high wages and union demands also. Roosevelt wants to do the wage regulating, but I hope Congress does the job itself. It seems to me the more Roosevelt tries to do the more lopsided he gets, and I don't think he is quite as well versed in running a nation on democratic principles as he is running it as per New York's Tammany, Chicago's Kelly-Nash, and Jersey City's Hague.

I, for one, am putting my faith in Congress to legislate the American picture on an American plan instead of New Deal dictatorship, which to me looks too much like the European kind.

Roosevelt has you Congressmen on the spot on farm prices, so I hope you do the job for unions, too. He isn't being fair to the producers at all, so I trust Congress will be Power to you who can still muster courage enough to set him right when occasion demands.

Yours truly,

ROY E. KARP.

P. S.—I am an American-born farmer. Handle over 700 acres of land and keep 300 sheep, 40 head of cattle and calves, 15 hogs, and 200 to 250 hens; farm about 200 acres wheat, 80 corn, etc. I am going to sell off sheep because of lack of help, my only boy being in I-A and subject to call soon.

I would prefer to keep the sheep, and I think the country needs them and their pelts,

but I say this to show what is happening to us. I bought new corn binder as a help. They are nearly 30 percent higher than last year. Maybe Roosevelt ought to find out what parity is now instead of a base of 30 years back.

MERRIAM, KANS., JOHNSON COUNTY,
September 12, 1942.

Hon. ARTHUR CAPPER,
United States Senate,
Washington, D. C.

DEAR SENATOR: We know here you are doing all you can to prevent the farmers and gardeners being "sold down the river." All of our manpower has been taken into the service, or working at one of the nearby so-called defense projects. The farmer is not getting enough now for his produce. An example: Beans, seed cost for 2 acres \$21, cultivated, to some extent by high-priced labor, 50 cents per hour. The beans are now being picked. The gardener pays 40 cents per bushel to some old Negro women for picking beans. The gardener sells his beans at 75 cents per bushel. You can easily see he will not try it next year. Then here is where the "Nigger is in the woodpile."

The local merchant sells these same beans for 7½ cents per pound to defense workers and to poor alike. It is easy to see who gets the profit—middlemen—not the gardener. These are actual conditions right here on my place.

If the farmers next year raise only what they themselves consume, there will be a lot of people in Washington starve to death. That's the picture today. Farm prices must be maintained or raised, not lowered.

Yours truly,

M. A. FARLEY.

McLOUTH, KANS., September 8, 1942.
Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: After hearing President Roosevelt speak last night I am at the crossroads to know what to do. I am farming my father's estate of 375 acres and have over 50 head of whiteface cattle and keep 12 sows to raise pigs from. This is a little over half what we used to keep before the Agricultural Adjustment Administration reduction program and the drought forced us to cut down on our livestock. We hear of the demand for more meat and I had planned to keep my best heifers from this year's crop and to about double the pig crop. The present price of livestock is good enough, but if we have to take less with union labor as high as it is I am not going to work myself to death raising more food for less. My brother-in-law is getting \$200 a month at Leavenworth shipyards and he can get me a job there. Some of my neighbors are working at the Sunflower ordnance plant at more than that. Farm labor is almost impossible to get. I have one man working for me and my son is home summers. He is a junior at Kansas State this year and will be 20 years old this month. I suppose he will be in the Army next year. I can farm the land to wheat and other crops that can be handled with tractors, but have to have men to help raise livestock. At the Farm Bureau dinner a week ago Sunday the farmers were going to sell their cattle and hogs to get as much as they could before the price was cut. That next Monday there was more cattle in Kansas City than any day since 1934.

With all the power that Congress has given Mr. Roosevelt and last night's demand by him for more power, the Congress has a hard job ahead of it.

I thought this war was fought to do away with dictators. If we end up with one, then all this effort and bloodshed is useless. It is up to Congress to see to it.

Yours truly,

JOHN R. MOSES.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Green	Pepper
Andrews	Guffey	Radcliffe
Austin	Gurney	Reed
Bailey	Hatch	Reynolds
Bail	Hayden	Rosier
Bankhead	Herring	Russell
Barkley	Hill	Schwartz
Bilbo	Holman	Shipstead
Bone	Johnson, Calif.	Smathers
Brewster	Johnson, Colo.	Smith
Bridges	Kilgore	Spencer
Brooks	La Follette	Stewart
Brown	Langer	Taft
Bunker	Lee	Thomas, Idaho
Burton	Lodge	Thomas, Okla.
Butler	Lucas	Thomas, Utah
Byrd	McCarran	Tobey
Capper	McFarland	Truman
Caraway	McKellar	Tunnell
Chandler	McNary	Tydings
Chavez	Maloney	Vandenberg
Clark, Idaho	Maybank	Van Nuys
Clark, Mo.	Mead	Wagner
Connally	Millikin	Wallgren
Danaher	Murdock	Walsh
Davis	Murray	Wheeler
Downey	Norris	White
Ellender	Nye	Wiley
George	O'Daniel	Willis
Gerry	O'Mahoney	
Gillette	Overton	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS].

Mr. BARKLEY. Mr. President, an effort is being made to compose the differences which have arisen revolving around the pending amendment to the joint resolution as reported to the Senate by the Committee on Banking and Currency. I think that progress has been made and will be made in that field. For that reason, I think it would be helpful if we should recess until tomorrow, in order to provide time for consideration of such a program.

Therefore, I shall ask that the Senate proceed to consider executive business, with a view to recessing until tomorrow.

Mr. THOMAS of Oklahoma. Mr. President, in reply to the suggestion made by the senior Senator from Kentucky [Mr. BARKLEY], I wish the RECORD to show that, so far as I am concerned, and those I represent, we were ready on yesterday for a vote and a vote was ordered on yesterday. We have been ready for a vote ever since the yeas and nays were ordered; we are ready for a vote now. I realize that an effort is being made to bring about some modification of the amendment, but, so far as I am concerned, I am unable to agree to any modification. So I am ready to vote now, and will be ready to vote whenever the time comes when we can get a vote.

CONTROL OF MARIHUANA

Mr. CLARK of Missouri. Mr. President, will the Senator from Kentucky yield before he makes the motion to which he referred?

Mr. BARKLEY. I yield.

Mr. CLARK of Missouri. I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to consider House bill

6196, a bill in the nature of an emergency measure to enable the authorities of the Panama Canal Zone to prohibit the importation or production of marihuana in the Canal Zone.

The Canal Zone authorities state that heretofore the matter of the importation of marihuana into the Canal Zone has not been very important, but that in recent months there has been a great increase of it; and they urgently recommend the passage of the bill as an emergency measure.

Therefore I ask unanimous consent that the unfinished business be temporarily laid aside, and that House bill 6196 be considered by the Senate. The bill would simply authorize the Canal Zone authorities to prohibit either the importation or the production of marihuana in the Canal Zone.

Mr. McNARY. Mr. President, is the bill on the calendar?

Mr. CLARK of Missouri. It is. It was reported yesterday from the Committee on Inter-oceanic Canals.

Mr. McNARY. Mr. President, I have no objection to its consideration.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Missouri that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of House bill 6196.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 6196) to amend the Canal Zone Code in relation to the control of marihuana.

The PRESIDING OFFICER. If there be no amendment to be offered, the question is on the third reading of the bill.

The bill (H. R. 6196) was ordered to a third reading, read the third time, and passed.

ORGANIZATION, TRAINING, AND EQUIPMENT OF STATE GUARDS

The PRESIDING OFFICER (Mr. McFarland in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 2670) to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing State and Territorial military forces with such arms, ammunition, clothing, and equipment as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and for other purposes, which were on page 2, line 15, after "service:", to insert "Provided, That under such regulations as the Secretary of War may prescribe for the organization, standards of training, instruction, and discipline, the organization by and maintenance within the Virgin Islands of the United States of such military forces as may be provided by the laws of the Legislative Assembly of the Virgin Islands is hereby authorized:", on page 2, line 15, after the word "Provided", to insert the word "further"; and on page 2, line 24, after the name "Puerto Rico", to insert "or the Virgin Islands."

Mr. SCHWARTZ. Mr. President, the only change made by the House was to include the Virgin Islands within the provisions of the bill. I move that the Sen-

ate concur in the amendments of the House.

The motion was agreed to.

EXCLUSION OF CERTAIN PROPERTY FROM CONDEMNATION PROCEEDINGS

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 5503) to authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. VAN NUYS. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McCARRAN, Mr. O'MAHONEY, and Mr. NORRIS conferees on the part of the Senate.

INCREASED AUTHORIZATION FOR DEFENSE HOUSING

Mr. TAFT. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate consider Senate bill 2725, Calendar No. 1664, which is a bill to increase the authority of the National Housing Authority to provide war housing by the sum of \$600,000,000. It is an authorization bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2725) to increase to \$600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio?

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. Is it a new authorization or is it a modification or extension of some old legislation on the subject?

Mr. TAFT. This bill does nothing except to increase the authorization for war housing from \$600,000,000 to \$1,200,000,000. It contains no other changes whatever in the provisions of the existing law, except to increase the authorization of the Lanham Act.

Mr. McNARY. Is this the Lanham Act which passed the other House?

Mr. TAFT. This bill has not passed the other House. I think a similar bill is now on the calendar of the House, and that it may be considered at any moment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio?

Mr. McKELLAR. Mr. President, let me inquire what is the necessity for the bill? Will the Senator from Ohio state why it is necessary to construct additional housing and where are the houses to be built?

Mr. TAFT. The necessity for it is that the sum of \$600,000,000 has been exhausted; that quite a number of war

House of Representatives

WEDNESDAY, SEPTEMBER 23, 1942

The House met at 11 o'clock a. m., and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thou who makest the outgoings of the morning and the evening to rejoice, help us to welcome this new day as a blessing and to follow the light which Thou dost bestow upon us. Undismayed by failure and disappointment, make us conscious of the true meaning of life. With a quest yeasting in our minds and hearts, we pray that we may extend the franchise of our sympathy and might as widely as does the Saviour of the world. Grant that our fellow citizens may not reduce to comfortable terms our requirements and responsibilities, nor refuse to meet the challenge which comes to us these urgent times, nor be stiffened into self-sufficiency.

Blessed Lord, let the fire of a great purpose flame in all breasts, alive and compelling, never losing the trail at the price of neglect or indifference. Oh, free our country from all selfish interests and all forms of mammon worship, never forswearing the debt to our institutions through all the human years.

"Be strong! It matters not how deep entrenched the wrong,
How hard the battle goes, the day, how long;
faint not, fight on!
To-morrow comes the song; be strong,
be strong, be strong."

Through Jesus Christ, our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had adopted the following resolution (S. Res. 292):

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. FRANK H. BUCK, late a representative from the State of California.

Resolved, That a committee of two Senators be appointed by the Presiding Officer of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 12 o'clock meridian tomorrow.

The message also announced that pursuant to the above resolution the Presiding Officer of the Senate appointed Mr. JOHNSON of California and Mr. DOWNEY

members of the committee on the part of the Senate.

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of the Interior.
2. Department of the Navy.
3. Federal Security Agency.
4. National Housing Agency.

EXTENSION OF REMARKS

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter from the Reverend Maurice S. Sheehy.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. BOEHNE asked and was given permission to revise and extend his remarks in the RECORD.)

REPEAL OF THE SILVER PURCHASE ACT

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, the Silver Purchase Act was passed in 1934 as a subsidy to the silver producing States. I vigorously opposed its enactment at that time, and subsequent events have justified my opposition.

It now develops that this law is seriously interfering with the war effort by preventing war industries from making full use of silver as a substitute for critical metals of which there is a scarcity such as tin and copper.

Moreover, the act constitutes a noose around the neck of the silverware industry, which will presently have to close down because of inability to obtain silver, although the Government is hoarding it and burying it in the ground at West Point. In other words, we have an artificial scarcity in the midst of plenty.

This situation is very serious to the silverware industry in my district. I have received a petition from the workers engaged in that industry imploring that action be taken to save their jobs.

Heretofore, the silverware industry has had to rely entirely upon foreign silver for its raw material, as the domestic sup-

ply has been entirely taken over by the Government for monetary purposes at an artificially high price. Now, under orders of the W. P. B., the small foreign supply is to be devoted entirely to war production, and the silverware industry is being forced to close down.

I am today introducing a bill calling for the repeal of this absurd and destructive measure, and I hope that the good sense of the Congress will result in prompt action to strike it off the statute books in the interest of the war effort and the jobs of the thousands of workers.

EXTENSION OF REMARKS

Mr. STEARNS of New Hampshire. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an address by Nicholas P. Morrissey, president of the Massachusetts Federation of Labor.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. GALE asked and was given permission to revise and extend his own remarks in the RECORD.)

FIGHT PROMOTION DURING WAR

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'TOOLE. Mr. Speaker, it seems to me the War Department is making a mockery of this war in allowing two members of the armed forces to engage in a pugilistic encounter in New York City, where one of the beneficiaries is to be a fight promoter who is to receive \$30,000 that is owed to him by Joe Louis. Surely the war is a serious thing and it is time for the War Department to realize we are engaged in an actual war and cut out these theatrical performances, football games, and other sport endeavors, and apply themselves solely to the war. This is the first time in the history of the country that the armed forces have taken upon themselves to pay the indebtedness of individuals, and it should be stopped.

(Mr. O'TOOLE asked and was given permission to revise and extend his remarks.)

EXTENSION OF REMARKS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to appears in the Appendix.]

STATEMENT OF HARRY HOPKINS

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to speak for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, all the newspapers this morning carry a statement by Mr. Harry Hopkins, made yesterday before the Inventors' Council. The New York Herald Tribune this morning carries this headline "Hopkins terms Congress main problem of war." Then the articles goes on to say:

Harry L. Hopkins, principal adviser to President Roosevelt on lend-lease aid, told the National Inventors' Council today that "only one thing is important—whether we have in Congress men who want to win this war."

This statement is an insult to every Member of this House, because it is an implication that there are some Members of the House who do not want to win the war. I dare Mr. Hopkins to name one single Member of this body who does not want to win the war. I say that Mr. Hopkins should either put up or shut up.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on 2 subjects.

The SPEAKER. Is there objection?

There was no objection.

[The matters referred to will appear hereafter in the Appendix.]

Mr. HARNESS. Mr. Speaker, I ask unanimous consent to extend my remarks and include a speech I delivered at Kokomo, Ind., to the employees of the Kingston Products Corporation last Monday on the occasion when the Army and the Navy award was made to that company.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my remarks and include a radio address which I delivered over KWKG, by electrical transcription.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to extend my own remarks on two subjects.

The SPEAKER. Is there objection?

There was no objection.

[The matters referred to appear in the Appendix.]

CORRECTION

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to correct the RECORD and address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, last evening in revising the official reporter's transcript of my remarks of yesterday I made an error in correction. On page 7533 in the middle column, second last paragraph, the paragraph was attributed to me by name. I struck my name out and put in the name of Mr. O'CONNOR, of Montana, because that paragraph was spoken by him. I then forgot to place my name at the head of the next paragraph, and thus it would appear that all of the remarks from then on down to almost the bottom of the next column were those of Mr. O'CONNOR. Instead, those remarks were mine, and I regret very much to have made this error. I ask unanimous consent that the correction be made.

The SPEAKER. Without objection, the correction will be made in the permanent RECORD.

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I am very glad that the distinguished gentleman from Ohio [Mr. SMITH] has made the correction in the RECORD which he just did. There is no doubt but what he has furnished a great deal of valuable information to the Members of the House and the country in the speech he made yesterday. It is seldom that one is given credit for things that he did not do, but as the distinguished gentleman made statements and reached conclusions with which I do not and could not agree I am happy that the permanent CONGRESSIONAL RECORD will show that I did not make the statements accredited to me on page 7533 of the RECORD of September 22, 1942.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New York [Mr. CROWTHER] be permitted to extend his remarks in the RECORD and include certain excerpts.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a radio address I delivered on the subject of oil information.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address delivered on the subject of Czechoslo-

vakia, notwithstanding the space required.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

CORRECTION

Mr. H. CARL ANDERSEN. Mr. Speaker, on page 7437 of the RECORD of September 17, 1942, I am made to say:

It is not a fact that the bulk of these seed and seed loans was brought—

And so forth. That should read:

Is it not a fact that the bulk—

And so forth. I ask that the correction be made accordingly.

The SPEAKER. Without objection, the correction will be made in the permanent RECORD.

There was no objection.

EXTENSION OF REMARKS

Mr. JOHNS. Mr. Speaker, I ask unanimous consent to extend my remarks and include three telegrams pertaining to the bill now under consideration, H. R. 7565.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix and include a short discussion of business profits by Ralph Robey.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ANDERSON of New Mexico. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to appears in the Appendix.]

THE POLL TAX

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent to address the House for one minute and revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

[Mr. RANKIN of Mississippi addressed the House. His remarks will appear in the Appendix of today's RECORD.]

AMENDMENT OF EMERGENCY PRICE CONTROL ACT OF 1942

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7565, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. All general debate having been exhausted, the Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That in order to aid in the effective prosecution of the war, the President is authorized and directed to stabilize prices, wages, salaries, and other factors affecting the cost of living; and such stabilization shall so far as practicable be on the basis of the levels which existed on August 15, 1942. In exercising the authority conferred by this act, the President may provide for making adjustments with respect to such prices, wages, salaries, and other factors, to the extent that he finds necessary to correct gross inequities.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 1, line 5, after the word "wages", strike out the comma and insert the word "and"; also in line 5 strike out the words "and other factors".

In line 1 on page 2 strike out the comma after the word "wages" and insert the word "and"; also in the same line strike out the words "and other factors."

Mr. WOLCOTT. Mr. Chairman, there has been some criticism of this bill, and it has been justified, that the bill is too broad in scope. In agreement with that criticism I have offered the amendment which has just been read. Read carefully the first sentence of section 1, it reads now as follows:

That in order to aid in the effective prosecution of the war, the President is authorized and directed to stabilize prices, wages, salaries, and other factors affecting the cost of living.

It is my interpretation of that language in this section that the President could nullify the rulings of the Interstate Commerce Commission in respect to tariffs. He could nullify the trade practices, as established by the Federal Trade Commission. He could nullify or amend or set aside temporarily or permanently the operation of several other of the executive agencies.

As a matter of fact, it is so broad that the President, in the guise of stabilizing prices, wages, salaries, and other factors affecting the cost of living might be empowered under this language to amend the provisions of the national banking acts and the Federal Reserve acts in respect to the coinage of money or the circulation and velocity of credit. I do not think it is intended by the Congress that we shall give the President such blanket authority.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman.

Mr. LUTHER A. JOHNSON. I did not catch the reading of the gentleman's amendment. Did the gentleman offer to strike out just the words "and other factors affecting the cost of living"?

Mr. WOLCOTT. No. I just ask to strike out the words "and other factors," and the other changes simply affect the grammar.

Mr. LUTHER A. JOHNSON. It is simply to make it conform to that provision?

Mr. WOLCOTT. The gentleman is correct.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. RICH. In a sense you are giving the President power to stabilize prices, wages, and salaries. Will that cover all of the items that are essential to keeping the cost of living on the present standard? Will it do that?

Mr. WOLCOTT. Well, if it does not, if the President finds that his hands are tied at all in the operation of the Federal Trade Act or the Interstate Commerce Act, or any of the other acts of Congress, the Federal Reserve Act or the Banking Act, I think probably we should insist that he come back and ask specifically for amendments to those particular acts.

Mr. RICH. Do you believe it is better to place this in the hands of the President or in a committee of the Congress, to administer these wages, salaries, and prices?

Mr. WOLCOTT. Of course, that question is rather outside the question which we are considering. I offered an amendment and it was adopted by this House to establish a Board of Administrative Review, so that one man would not become what was termed an economic czar. Had the other body in Congress accepted that amendment and had it become law, I think Mr. Henderson would find himself in a position today where he could get rid of a lot of the trouble which he now has.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were ayes 64 and noes 16.

So the amendment was agreed to.

Mr. LYNCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LYNCH: On page 2, line 2, after the word "inequities", insert "or to aid in the effective prosecution of the war."

Mr. LYNCH. Mr. Chairman, this is essentially a war bill. The reason that this bill is before the House is because of the spiraling of prices and wages so that the war effort will be endangered if there is a continuance of this spiraling. In my opinion, it is not sufficient that we should say, as we do in this bill, that in exercising the authority conferred by this act the President may provide for making adjustments with respect to such prices, wages, and salaries to the extent that he finds necessary to correct gross inequities. I believe we should give the President power to do more than correct gross inequities because after all what constitutes "gross inequities" is too nebulous, uncertain, and indefinite. I believe it is the purpose of this House that this bill should be passed not for the sole purpose of giving the President authority to correct gross inequities as they might appear to him but the essential purpose is to aid in the effective prosecution of the war. If we were in no war we should not have this bill. It

seems to me, therefore, we should make the principal objective of the bill the winning of the war and definitely state so in the bill, state that we are giving this power and authority to the President for the one outstanding and all-important purpose namely to aid in the effective prosecution of the war.

Mr. DEWEY. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. Yes; I yield to the gentleman from Illinois.

Mr. DEWEY. I notice that the language the gentleman contemplates including in the bill is contained in the first paragraph of Senate Resolution 161.

Mr. LYNCH. That is correct.

Mr. STEAGALL. Mr. Chairman, I hope members of the committee will understand the significance of this proposed amendment, because in it is embodied all the issues that will probably be involved in the consideration of this bill.

Under the present language of the section the President would be authorized to depart from the limitations contained in other provisions and given an additional authorization to do any of the things which in his judgment would aid in the prosecution of the war.

My good friend, the distinguished gentleman from New York, treats the language in the present bill "gross inequities" as being indefinite and uncertain. Let me say to him that the phrase "gross inequities" is far more definite, far easier of legal interpretation, its meaning far more easily ascertainable than the broad language "anything the President deems helpful in the prosecution of the war." "Gross inequities" are words that have well-established definitions not only in the dictionaries but in the law books, and this language carries a very definite guide to the President. This standard could not be disregarded without gross disregard of the expressed will of the Congress. If we employ general language authorizing any act the President deems helpful in the prosecution of the war you can strike out every other provision in this bill, adopt that language, and send the bill to the Senate, because the adoption of this amendment would nullify and legitimately nullify every safeguard and every limitation carried in this bill. There need be no thought on the part of Members that other provisions and limitations will be of any value or that any amendments to this bill will accomplish anything Members may desire, if the proposed amendment is adopted.

It is not my purpose now to argue with the membership as to the wisdom of this amendment; this is a matter for the Members to decide, but I feel I should call to the attention of the membership of the House what will be done if this amendment is incorporated in the bill. It is for the membership of the House to decide whether we want to legislate or whether we shall say, "We have no responsibility." I have great confidence in the President of the United States; I think he is by far the best equipped man who lives to lead the American people in the great struggle in which we are engaged at this time, but I still

feel that Members of the House of Representatives have some responsibility to their country and to their obligations under the Constitution.

Mr. LYNCH. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. LYNCH. Is it not a fact that the purpose of giving the authority to the President to adjust wages, salaries, and prices is to aid in the prosecution of the war? If this be so I cannot understand the reason for the objection to setting it forth definitely.

Mr. STEAGALL. If the gentleman desires to ask me a question I shall be glad to yield. I think what I have said expresses my attitude.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. BENDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENDER: On page 2, line 2, after the word "factors", insert "Provided, That there shall be no discrimination in the administration of this act or the Emergency Price Control Act of 1942 on account of race, creed, or color and in the membership of rent, price, and rationing boards."

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes in support of his amendment.

Mr. BENDER. Mr. Chairman, I shall not require the entire 5 minutes to explain this amendment. The language of the amendment is very clear and needs no discussion. Let me read the amendment:

That there shall be no discrimination in the administration of this act or the Emergency Price Control Act of 1942 on account of race, creed, or color and in the membership of rent, price, and rationing boards.

I am sure there can be no valid objection to this amendment; it is clear, understandable, and entirely in order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and the Chairman announced that the yeas appeared to have it.

Mr. BENDER. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, manifestly every Member of the House must appraise this bill for himself, and I ask your indulgence very briefly that I might appraise for the RECORD my own estimate of the effect of this bill.

In the first place the grant of power is not so disturbing because I find on examining the act of August 10, 1917, that infinitely greater power was extended to President Woodrow Wilson. Secondly, I find that this bill does not deal with the real inflationary forces and cannot, so long as continued expending must go forward in the interest of victory. It cannot have any effect on spending for the war effort so it will not

have an impact on deposits that have reached \$71,000,000,000, it can have no impact on debt, it cannot stop money circulation which since the beginning of this war in September 1939 has gone from about \$9,600,000,000 to over \$13,000,000,000. It can only deal with effects and not causes.

Its provisions freeze the terms of the 40-hour act because the language is to the effect that nothing inconsistent with the provisions of that act can be done. I think the labor provision will be slightly inflationary, first, because the American Federation of Labor reports that there are 5,300,000 industrial workers who are receiving less than \$30 a week and whose standard of living should be brought up, and secondly, it is addressed not only to preventing inflation but to the effective prosecution of the war, as indicated in the first section of the bill. In illustration of that, let me say that only recently a panel in the War Labor Board in connection with the demands of 10,000 miners out in Idaho and Utah reported that they ought to have an increase of 12½ cents per hour, not because they had not already received increases but because the W. L. B. had to do something to stop them from migrating to shipyards and to other industrial plants. If this power can be used in effective prosecution of the war, it will have an inflationary effect so far as those provisions go, because they can be applied in innumerable cases.

The bill contains no provisions relating to retail, wholesale, and manufacturing prices, and if the last clause of section 2 is stricken, which would authorize the suspension of existing laws, it will mean that sooner or later Mr. Henderson will be compelled to punch more holes in the existing price ceiling to permit a reflection of increased costs. Thus the general effect of this measure will mean an ultimate increase in the general price level and I presume it will be the fond hope of the administration to uphold the general rise of prices within a 15 or 20 percent increase.

With respect to farm commodities the maximum price authorized by this bill cannot be below parity or the January-September price, whichever is highest.

Inasmuch as the January-September price is below parity with respect to certain commodities, it would mean that potentially those commodities could rise to parity.

In round figures we could increase wheat by 45 cents a bushel, corn by 14 cents, oats by 18 cents, barley by 38 cents, rye by 60 cents, and cotton by four-fifths of a cent per pound.

Since the highest of the two prices, namely parity or the January-September price, must prevail, it would mean in the case of commodities for which the January-September price is the higher of the two that they could be frozen at prevailing levels. This would affect rice, which is 39 cents per hundred pounds over parity, soybeans which are 14 cents above parity, butterfat which is 2.6 cents per pound above parity, chickens which are 2.3 cents per pound over parity, wool which is 12 cents per pound above parity, hogs which are \$3.08 per hundredweight

above parity, beef which is \$3.06 per hundredweight above parity, veal which is \$2.65 per hundredweight above parity, and cotton which is \$10 per ton above parity. These are prices as of August 15, 1942.

As I read the bill, it will also prohibit the imposition of the 110 percent ceiling now carried in the Price Control Act. This authority could have been used at any time but was never enforced by the Administrator. The price of cattle on August 15, 1942, was \$11.30 per hundred. The parity price was \$8.24 per hundred. One hundred-ten percent of the parity would have been \$9.06 per hundred or \$2.24 under August 15 price. The Price Administrator could have established a ceiling of \$9.06 but for some reason he never used the power to impose 110 percent price ceiling on cattle.

This brief dissertation proposes only to indicate what in my judgment the effect of the bill would be as reported to the Committee of the Whole House on the state of the Union.

Mr. GORE. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Tennessee.

Mr. GORE. The gentleman has set forth a remarkable record in giving to the House accurate information, and I know he will want to point out that in using the word "freeze," as applied to this bill and those prices to which he refers as being brought down, that there is nothing in the bill which establishes the maximum price. The provisions to which he refers are restrictions below which a ceiling cannot be placed.

Mr. DIRKSEN. Definitely so.

Mr. GORE. The bill does not place a ceiling there.

Mr. DIRKSEN. I am only speaking of effect and speaking of potentialities as to what might be done under this bill. If you will examine page 5, you will find there a rather amazing provision which amends the Commodity Credit Corporation Act. The Secretary of Agriculture is directed to make loans and purchases. Those loans shall be 90 percent of parity. They are made to encourage production and they will cover basic and nonbasic commodities. Loans can be continued for a period of 3 years after the first of January following the time when the President proclaims or determines the end of hostilities in the present war.

Let us assume that the war ends on June 30, 1944. The base point will be January 1, 1945. Three years thereafter will be 1948. So we are setting a ceiling, we are mandating loans for a period of 5 years, and I doubt very much the wisdom of so long a period of loan authority when we cannot foresee what the conditions will be. Oddly enough that provision is there notwithstanding the fact that the powers in this bill terminate on the 30th of June, 1944.

Consider, then, a general résumé of what this measure appears to do. One, it makes a grant of power, which, however, is no greater than that granted to Woodrow Wilson during the first World War. Two, it in no way deals with the real inflationary factors, such as the Silver Purchase Act, nondefense spend-

ing, and other items which are definitely and directly inflationary. Three, it in effect repeals that part of the Price Control Act which permits the imposition of ceilings at 110 percent of parity insofar as it relates to commodities for which the January-September price is above the 110-percent level. Four, it does not and it cannot deal with the inflationary effect of deficit spending because expenditures for victory must go forward. Five, it permits price ceilings which shall not be less than parity price or the January-September price, whichever is highest. Six, it would in effect freeze the price of some farm products, and it would permit others to rise to parity levels. Seven, in effect it freezes the Fair Labor Standards Act. Eight, on the basis of figures submitted by the American Federation of Labor, it would permit increases to 5,300,000 or more workers whose wage is \$30 per week or less where those wages can be regarded as substandard and where no wage increase has been afforded since January 1, 1941. Nine, it would permit wage increases, as in the case of the western metal miners, where such wage increases are deemed necessary for the effective prosecution of the war. Ten, it sets a loan floor of 90 percent under farm prices for a period in excess of 3 years which might, depending on the cessation of hostilities, run into 5 or 6 years or more. Eleven, it permits adjustments to cure gross inequities. Twelve, in a general way it would probably mean an increase in the general price level over a period of time of 15 percent or more.

This in my considered judgment would have been the impact of this measure on our general economy and I can see the need of amendments which will cure weaknesses and inequities which already appear to exist.

In three different sections of the pending bill there is reference to gross inequities which may develop as a result of the administration of these powers and provision is made for the President to adjust prices and wages to meet such inequities.

It must be manifest to every Member of this body who has heard the various reports on the shortage of farm labor in every section of the country that this constitutes a real inequity. It would, therefore, be quite logical to cure that inequity by legislative act rather than by Presidential action and one of the amendments which should be submitted for consideration should deal with farm labor shortage and the increase of farm labor wages because it involves the question of continued production.

I have observed that the emphasis in most of the discussion was on the question of price control. It should not be forgotten that our first and foremost responsibility is greater production in the interest of victory and for that reason a measure should be devised which places the emphasis on expanded production.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 1, line 6, strike out "so far as practicable."

Mr. TABER. Mr. Chairman, I have offered this amendment with the idea of

fixing prices. The only sincere way that prices can be fixed is by fixing them. Trimming around and dodging the way we did on that other bill and the way that is being done by this bill is just a fake. I will not be a party to a fake and a fraud upon the American people.

The President of the United States has promoted inflation by manipulating labor prices up. This bill carries the implication that we can permit him to continue to manipulate labor prices up and fix farm prices at a definite figure. Those things are positively ridiculous. It just cannot be done. If anybody thinks that you can monkey around with one type of prices and not affect all of them, he is just reckoning without thinking. Unless we are going to go completely wild and have inflation, we must make the prices absolutely definite by legislation.

The President has shown that he wants to promote inflation. He has proceeded continually through the War Labor Board to raise prices. The effect of the rise in prices that has resulted from just his operations has been that the rise in prices has been more than the rise in the labor wage, and the result of it is that the workingman has been deceived that he has been better off when he is worse off.

Are we going to quit this monkey work and get right down to earth and do our duty or are we going to dodge it? That is the question that is here presented.

I hope this House will, by a large majority, adopt an amendment which will make this thing absolutely certain and will do business. That is the only way we can stop inflation. Otherwise, we are going to have it worse and worse as the days go on. We are going to have inflation pile up in such a way that it will be very difficult for us to carry on the war effort. We must remember that the overtime pay and the enormous increase in the hours of employment due to the war effort has given everybody who works a large increase in pay, anyway. Unless we stop this inflation and stop it now, we shall come to the point where we cannot control it at all. I hope this amendment will be adopted.

Mr. RANKIN of Mississippi. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, unless this bill is radically amended to give the farmers of this country equality, I shall vote against it. The amendment offered by the gentleman from New York [Mr. TABER] will not do it any good. If Congress and the administration really want to do something to give agriculture a square deal, let them go back and repeal the Wagner Act and the Wages and Hours Act, with which Congress raped the farmers and the Constitution a few years ago. You cannot destroy the farmers of this country and have prosperity. That is exactly what these legally imposed inequalities are doing today; they are grinding the farmers into the dust.

Let me show you what they mean. This measure will not prevent inflation. You already have inflation; and it is here to stay, at least for a long time.

In 1919 and 1920, when we had \$53.21 per capita in circulation, cotton was 35

or 40 cents a pound and wheat was \$2.50 a bushel, with the prices of corn, hogs, beef, and other farm commodities in proportion. Industrial wages were much lower than they are today. Yet today, instead of having \$53 per capita in circulation, we have more than \$92 per capita in circulation, with cotton at 18.5 cents per pound and wheat at about \$1.15 a bushel, and corn, hogs, lumber, and other raw materials in proportion.

By this legislation and the legislation you have already passed, you are grinding the American farmers into the dust. Today the American farmers, the men who till the soil, are furnishing to this war more of their sons in proportion than any other class of people under the American flag; and they are entitled to equal treatment.

You talk about parity. Forget that antiquated, obsolete expression. Whoever trumped it up attempted to give the farmers alleged parity based on the prices prevailing during the Taft administration, at a time when the farmers were so depressed that they raised up and created a third party, with the result that Taft carried only two States, and one of them on a religious issue.

If you want to give the farmers real parity or equality, let the price of cotton rise to 40 cents a pound, let wheat go to \$2.50 a bushel, and other farm commodities in proportion. A cotton farmer gets 1 cent an hour for every cent a pound he gets for his cotton, and the wheat farmer is paid in proportion. You may say he works only a certain amount of time, but that in addition to what he puts into labor goes into machinery and the expense of that machinery.

The man who tills the soil, the hardest working man in America today, is the cotton farmer. Edwin Markham described him perfectly when he said:

Bowed by the weight of centuries he leans
Upon his hoe and gazes on the ground,
The emptiness of ages in his face,
And on his back the burden of the world.

He is the hardest-working man in America; not under an electric fan, not with ice water at his side, not with fixed hours, but from sun to sun he works under the hot sun, fighting all the vicissitudes of the weather, all the speculations of the exchange, the boll weevil, and everything else by which he is harassed.

The cotton farmer gets 18.5 cents an hour for his work today, whereas the laziest man in the country can go to a defense plant and get \$10 a day. You are paying an average of 75 cents an hour for men in industry, while the farmer is getting about 18 or 19 cents an hour for his work.

In my home town the charwoman who sweeps the floor in a factory building, the lowest paid labor in the factory, has her wages fixed by the Labor Relations Board at 40 cents an hour. If you paid the farmers at that rate they would get 40 cents a pound for their cotton. Yet you propose to stabilize the farmer in his present position by doing just what Thomas Jefferson warned you against. He said:

Whenever Washington can say when the farmer shall sow and when he shall reap, the Nation will want for bread.

Today the farmers all over the country are wondering whether or not to plant their crops next year because they are losing money. Their cotton is in the field, their corn is in the field, and they cannot get help to gather it.

Unless we can amend this bill drastically and protect the American farmers, I shall vote against it.

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I rise in opposition to the amendment. I shall have only this to say about it. If this amendment is adopted we might just as well, or we would necessarily have to, strike out the rest of this bill, because all the inequities that existed on the 15th day of August would be frozen into the measure without any remedy at all and without any means of adjustment.

There are a good many people in this House who are interested in farm prices and anybody who would vote for this amendment would necessarily vote to freeze, for instance, the price of cotton, corn, and wheat far below the parity level. If this is what you want to do all you have to do is to vote for this amendment. There are other members here who are especially interested in the laboring class of people. If you want to freeze all the inequities that exist now with respect to the laboring class of people in this country all you have to do is to vote for this amendment and freeze the labor prices existing on August 15.

It is inconceivable, Mr. Chairman, that this amendment should be adopted, otherwise the purpose of this bill is completely destroyed, and the amendment should be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and the amendment was rejected.

Mr. STARNES of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STARNES of Alabama:

On page 1, line 5, after the word "living", strike out the semicolon and insert "by fixing maximums therefor;"

On page 1, line 7, after the word "on", strike out the words and figures "August 15, 1942" and insert "December 8, 1941."

Mr. STARNES of Alabama. Mr. Chairman, the purpose of this amendment is to direct the President of the United States in stabilizing prices, wages, salaries, and other factors affecting the cost of living by fixing maximum prices or ceilings therefor. There can be no control of inflation by legislation alone. There can be no effective control of inflation, as the gentleman from New York [Mr. TABER] well said a little while ago, until we face cold facts, and neither the original bill, nor this bill, unless amended, will provide any real check upon inflationary tendencies in this country. There can be no check upon inflationary tendencies until the Congress of the United States takes positive affirmative action toward fixing maximums or ceilings on the factors which go into an inflationary movement.

This is proposition No. 1; and, secondly, I say we should go back to December

8, 1941, at a time when this country was at peace, and fix the levels at that period and let the President of the United States, through appropriate agencies, make the necessary adjustments to correct gross inequities, and for the purpose of providing that no one shall reap any undue benefits or grow rich at the expense of the Nation's travail. This provision is to apply peacetime standards to wartime conditions in order that no group or any particular section of this country shall profit by the blood of American patriots. If there were existing inequities on December 8, 1941, then, under the terms of the bill which follow in this same paragraph, the President has the authority to make whatever corrections are necessary for farmers, for laborers, or any other group in this country to correct such gross inequities so there shall be no injustices.

In my humble judgment we are shadowboxing with this whole question. We are not deluding anybody but ourselves if we think the people of the United States—

[Here the gavel fell.]

Mr. STARNES of Alabama. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STARNES of Alabama. We are not deluding anyone except ourselves if we think the people of the United States believe that the original price bill was effective or that this bill will be effective unless we assume our responsibilities and establish decent maximums on the factors which tend toward inflation. We must fix a date when these maximum ceilings will become effective. Let us take a date when the country was at peace, not at war, and let the President through proper administrative agencies make whatever corrections are necessary to see there shall be no gross inequities. I call the attention of the gentlemen of the Committee before they rise and say that this would destroy the purpose of the bill, that we leave in this bill these provisions which expressly permit the President of the United States to take appropriate action to remedy gross inequities in whatever field they exist, but as of the date of December 8, 1941. We cannot control inflation by legislation alone, as I have already said. We have to face the facts, and they are stern facts. This Congress will sooner or later be forced by the course of events to throw aside political expediency, face the facts and place a tax on the people of the United States which will pay the cost of this war and keep down inflation. The only way we will effectively combat inflation is through the taxing powers of the Government of the United States. We can and should siphon off the purchasing power built to gigantic proportions by the war effort by taxation. This price-control bill is merely an attempted brake. The sooner we act like men with the same bravery and courage that the men who have faced the foe in the air, on the sea, and on the battlefields exhibit, the sooner

we will win this war, and the sooner we will win the support and approval of the American people. The American people are ready to have the Congress act with determination and courage in combating the problems of inflation and taxation brought about by the greatest crisis in history. Let us have the courage to do what we should do with reference to this bill, and with reference to the subject of taxation.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. GORE. Mr. Chairman, I rise in opposition to the amendment. The gentleman from Alabama [Mr. STARNES] seeks by his amendment to insert language in two different lines of the bill. In line 5 he seeks to add "by establishing maximums." I submit that that is inherent in the bill. The whole purpose of the bill is to authorize and direct control of the Nation's economy by the fixing of maximum prices, wages, and salaries, subject to the standards of the bill. Therefore this particular addition would not have any meaning. All it would do would be to add superfluous words.

The second proposed amendment would be quite a material change. It seeks to change the date from August 15, 1942, to December 8, 1941. If we do that, a large portion of the price ceiling now in effect, which has been established since that date, would necessarily have to be reduced. All of the wage stabilization which has been done throughout the United States would have to be reduced. The difficulty we find ourselves in is we just cannot very well go back. We have to start where we are. Therefore, Mr. Chairman, I submit that the amendment should be rejected.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. GORE. Yes.

Mr. WOLCOTT. If the President should find that this date of August 15 would create gross inequities, he need not adhere to that date, but he can go back as far as he wants to.

Mr. GORE. If he finds those conditions to exist he has authority to so do, but under the language of the proposed amendment we would be fixing as a standard for the administration of the act, a change which is wholly impractical and would make the standards of the bill meaningless.

Mr. BURDICK. Mr. Chairman, I rise in opposition to the amendment. Demand after demand is now coming in from the public insisting that this Congress exercise its constitutional powers and frame legislation to suit itself. This demand comes too late. The public ought to know that the powers we should have exercised were all delegated to the President under Public Law No. 11 of the Seventy-seventh Congress.

That is the reason why the President notified Congress that, unless this body passes a law—which the President would approve—he would do it himself. That was no idle threat. The President told Congress the truth, for he has that power absolutely, and this Congress gave it to him.

Let me call your attention to section 9 of the act:

The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this act; and he may exercise any power or authority conferred on him by this act through such department, agency, or officer as he shall direct.

Of course, the President was tied down with a twine string on the matter of informing Congress what he was doing. Section 5 (b) reads:

The President, from time to time but not less frequently than once every 90 days, shall transmit to the Congress a report of operations under this act, except such information as he deems incompatible with the public interest to disclose.

In other words, the President does not have to report anything unless he wants to.

If anyone doubts the powers conferred upon the President under this act, he should read section 3 where the President is authorized to do anything and everything as long as he deems it to be in the interest of the national defense.

In this act Congress also authorized a blank appropriation for anything the President thought necessary. Section 6 of the act reads:

There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this act.

All Congress can do when one of these demands comes up is to approve the demand, for the reason that Congress has already said it would do what it might be called upon to do.

In the consideration of the bill now before the Congress to put a ceiling on farm prices, I notice that a great many Senators and Members of the House say it is about time Congress woke up and exercised its constitutional functions. This is an amazing statement, and I note also that these remarks come mostly from Senators and Members of the House who voted for Public Law 11.

Mr. Chairman, this protest comes too late, and most of those who voice this protest in the Congress know it comes too late. Many know they voted to turn this blanket, airtight authority over to the President.

What a spectacle this debate is. Every Member here knows the President can fix the ceilings by proclamation; everyone here knows that he will not accept a bill which is not satisfactory to him; and many who now assert on the floor that Congress should exercise its constitutional functions voted that right away when Public Law 11 was passed.

Why not be honest with the people and tell them the truth, that so far as this war is concerned Congress can approve appropriations and nothing more? I was not one of those who voted away our power. I have done my best to keep the constitutional powers of Congress, but I was outvoted, and as long as Public Law 11 remains on the statute books debates such as this are entirely unnecessary.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the question that is presented to the House is whether we shall

continue the existing Price Control Act or whether we shall amend it as proposed. In that choice, whatever may be said about the defects of the pending bill, it is my judgment that it is an improvement over the Price Control Act, which prohibits the regulation and control of labor and wages. The committee has stated that it proposes to offer an amendment to strike out that part of section 2 that authorizes the President to suspend existing laws. Of course, I favor that amendment. As the President, the Chief Executive of the Nation has no power to suspend any law unless the Congress of the United States authorizes it. The only laws that he could suspend, if this act passes, are laws that are repealed by implication. It has been said that section 4 of this bill freezes the Fair Labor Standards Act. I opposed that act. Section 4 of that bill does nothing more nor less than recognize that that act is the law of the land. I should like to vote to repeal it.

With respect to the 15-percent increase in wages and salaries in section 4, that is a fact, and we recognize it. If we are to improve the existing Price Control Act, there must be concessions by both labor and agriculture.

I think it was unfortunate that the price-control bill provided in terms that have been misunderstood for 110 percent of parity. If the definition of parity was not correct then and if it is not correct now, that definition should be changed by law. The consumers of the Nation have been led to believe that they are entitled to higher wages because, by statute, the farmers are getting 110 percent of parity.

Now, Mr. Chairman, it is said that if this bill is passed, that to remove inequities, the President of the United States will consider the increased costs of labor in agricultural production. If he is authorized to consider that factor, why not say so in the bill? If in section 4 we are recognizing a labor law that exists—a law that will continue to be in force, which law is the Fair Labor Standards Act—and at the same time assert that it is necessary to consider costs of labor in agriculture, why not, those of us who advocate the rights of labor and those of us who advocate the rights of agriculture, agree to a change in the definition of parity, especially if section 4 is to remain in the bill?

In my judgment, there is a provision in this bill that is of more real benefit. I understand the real meaning of 110 percent of parity. It was to enable the farmers to receive parity because oftentimes prices are 90 percent of parity one week and they are 110 percent of parity the next week. The purpose of that provision was to enable the farmers on the average to receive 100 percent or parity. But the real guaranty of receiving anything like parity is the commodity loan. Under the terms of this bill the farmers will receive at least 90 percent of parity because there is a provision for 90-percent parity loans, and that is of far greater advantage than the existing provision of 85 percent.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. WHITTINGTON. So that I would say that the provision in the bill increasing the commodity loans from 85 percent to 90 percent of parity is a greater benefit to agriculture than the existing 110 percent of parity.

If, as a matter of fact, we believe that prices have to do with inflation it does occur to me and I am sure to others who want to prevent dangerous inflation—and no groups in the Nation suffer more than labor and agriculture in the long run from unbridled inflation—that a fair and just amendment to this bill that would include in parity the cost of labor to the farmer, should be agreeable to labor and agriculture. This amendment would enable us to support the pending bill as an improvement over existing law.

Now, I am aware that under section 1 of the bill, when prices are fixed as of August 15, 1942, the President of the United States, if the existing prices of agricultural products were totally inequitable, in order to remove that inequity would have the right to consider the admitted increased cost of labor. If that be true, then why not say so?

I suggest, Mr. Chairman, with that amendment defining parity to include the cost of labor the pending bill is far better than the existing law.

I extend by saying that the purpose of price control is to prevent inflation. It is not the only factor but it is an important factor in preventing inflation. War, unless prices are controlled, always results in inflation.

In price-control legislation it should be kept in mind that labor is generally the most important element and the most expensive item in the cost of all products, both agricultural and industrial. Labor, therefore, must be considered in the control of all prices.

It is difficult to prescribe a definite yardstick that will do justice to all groups, and it is particularly difficult to prescribe a yardstick that is fair to agricultural commodities. It is also difficult to prescribe a yardstick for the control of labor and wages.

At the time the Emergency Price Control Act of 1942 passed the House I voted against the bill because it did not embrace ceilings for labor and wages. I supported the so-called Gore or Baruch bill. Labor and wages had increased; in fact, they had already soared, but agricultural commodities had not increased in anything like the ratio that labor and wages had increased. It was unthinkable to me then and it is unthinkable to me now that a fair price could be fixed on any commodity without the price of labor being considered. Factory wages in December 1941 were 352 percent of the 1909-14 period, or factory wages are 352 percent of parity. Factory wages thus have risen 250 percent in 25 years as compared with the rise in farm products of only 39 percent. Wages have risen six and a half times more than agricultural prices since the parity period.

There should be ceilings on prices for all or ceilings on prices for none.

Price control is not the only means to prevent inflation. Taxes are just as important. It is more important that the taxes reach the group who are receiving the increased wages and prices. It is estimated that the national income for the calendar year 1942 will be around one hundred and thirteen or one hundred and fifteen billion dollars and that there will be available around \$85,000,000,000 with which to buy the \$65,000,000,000 worth of goods for consumers to buy on the basis prices under the general maximum price regulation. These goods will be bought by the consumers. The consumers have \$20,000,000,000 more than is necessary to buy these goods at present prices. Inflation will result unless the prices are fixed, taxes levied, and savings enforced.

The Emergency Price Control Act of 1942 fortunately but in unfortunate language, provided that ceilings could not be fixed below 110 percent of parity on farm products. I say unfortunately because the term 110 percent of parity is misleading. Parity based upon the existing definition of parity is really about 85 percent of parity. The increased labor costs are not included. Moreover unless there is a floor as well as a ceiling, a modification or variation of at least 10 percent is essential to enable an agricultural commodity to bring parity. The market price may be 90 percent of parity one week and the next week it may be 110 percent of parity. The average would be parity.

The increases of industrial income exceed largely the increases of agricultural income. In 1938 the average annual wage of farm workers was only about 27 percent of the average wage of factory workers.

The ceilings in the Emergency Price Control Act do not mean that commodities will bring these ceilings in the market or that inflation will be absolutely controlled. Prices will still be determined by the law of supply and demand, ultimately, unless controlled, and unless there is rationing.

Under the Price Control Act parity prices were the prices then authorized by law. The prices of agricultural products were controlled. I maintained at the time the bill was passed that it should provide for the control of wages and labor. Time has vindicated the wisdom of this position. That act specifically provided, and I quote:

Provided, That nothing in this act shall be construed to authorize the regulation of (1) compensation paid by an employer to any of his employees.

This quotation is from title III, section 302 (c).

At the time of the passage of the Price Control Act the President opposed the inclusion of labor and wages and so did Leon Henderson. Mr. Henderson, however, as disclosed by the hearings approved the 110 percent of parity as stipulated in the act for agricultural commodities.

I have stated that it was unfortunate that the act stipulated for 110 percent of parity. This is misleading. The con-

sumers have been led to believe that they are discriminated against. Personally I believe that there should have been a redefinition of parity so that parity would have included the increased costs of labor. The comparative costs of labor in the basic period, 1909-14 for agriculture were much less than the comparative costs today. The remedy was not to adopt the misleading 110-percent provision for parity but the remedy then and the remedy now is to provide for a parity definition including the costs of labor. It is admitted that the costs of farm labor are not now included in the act of Congress defining parity.

H. R. 7565, the bill under consideration, does not contain a provision that parity prices and comparable prices shall be determined so as to include all costs of production, including the costs of labor. I will support an amendment to this effect and offer such an amendment, if not offered by some member of the committee, or the chairman of the Committee on Agriculture. If there has been a mistake in the definition of parity there should be a redefinition so that parity will include now the costs of labor.

The chairman of the committee, the gentleman from Alabama [Mr. STEAGALL], has stated that the committee will offer an amendment to strike out the provision of section 2 that authorizes the President to suspend any provisions of law relating to the establishment or maintenance of prices, wages, salaries, or other factors affecting the costs of living which are inconsistent with the purposes of this act. It is for Congress to pass laws; it is for the President to enforce laws. If in war when vast powers are essential in the President as Commander in Chief of the Army and Navy, any statute should be suspended; it is for Congress to provide for such suspension. The exercise or usurpation of the authority to suspend by the President smacks of dictatorship and is contrary to the democratic concept; moreover, it is wholly unnecessary in the prosecution of the war.

No group in the United States will suffer more from inflation than farmers; they are supremely interested in the prevention of unbridled inflation often following wars and that followed the first World War. There must be no repetition of such inflation which resulted in bankruptcy not only to farmers but to industry as well. The farmers are the first to suffer in a depression or in inflation.

The President has asked that the limitations on agricultural products in the Price Control Act be repealed; he has stated that he will then control wages. I believe that Congress should provide for the control of both. While the pending amendments are not what I favor and do not provide for parity control of labor and wages as well as agriculture with the amendments that I deem to be imperative, I shall support the bill.

Under the existing Price Control Act the President is not directed to stabilize labor. The pending bill is an improvement. It authorizes and directs the President to stabilize prices, wages, and salaries. It would be difficult to define definitely wages and salaries in an act.

There must be flexibility. The President is directed to fix all prices, wages, and salaries on the basis of the level existing on August 15, 1942. The flexibility is that he is authorized to correct gross inequities. While the cost of labor is not embraced in the definition of parity in existing law and while I think it should be embraced and while I favor an amendment as stated for that purpose, I believe that if the continued increased costs of labor would result in a gross inequity in agricultural commodities, the President would have the right to consider and make adjustments to provide for the increased costs in agricultural labor. I think that this provision is an improvement over the existing law.

Again, under the pending bill the loans on agricultural commodities are to be not less than 90 percent of parity. A floor is thus put on the price of cotton and other agricultural products. Ordinarily the loan value determines the market price. This is especially true when there is a large crop. In a large crop the farmer is always penalized for his prosperity. Under existing law the floor is 85 percent. Ninety percent will enable the farmer more nearly to receive parity.

It has been said that the pending bill approves the 40 hours and time and a half for overtime. There are yardsticks for ceilings for agricultural prices. I want to be fair to labor. I opposed the Fair Labor Standards Act, but it is the law. The pending bill does not change that law, just as the pending bill does not change the definition of parity. I would like for both to be changed but I believe that the provision in the pending bill which authorizes the President to adjust wages and salaries to correct gross inequities is preferable to existing law, and the President cannot change the Fair Labor Standards Act.

Under the pending bill the parity price or the price of agricultural products between January 1, 1942 and September 15, 1942, whichever is the higher, controls. The pending bill provides that no action shall be taken with respect to wages or salaries which have not reached a 15 percent increased cost above the wages or salaries paid January 1, 1941. I would like to see this provision eliminated and shall vote for its elimination, but in all fairness if higher than parity prices of agricultural crops are to obtain, the recent high prices of labor should prevail. I favor equality of treatment for both agriculture and labor.

Under section 5 of the bill whether there is an application for increase or decrease submitted to the National Labor Relations Board or not, no employer shall pay and no employee shall receive any increase unless approved. I think this is an important provision. It would not leave it to employers and employees. After all the public foots the bill and should have a voice in the costs to the consumers. This section provides that all increases in wages and salaries must be approved by the President. He is thus authorized to prevent and thus control wages and salaries.

War not only calls for sacrifice but makes sacrifice a privilege. It will have

to be expressed in terms of denying ourselves many of the things we have been accustomed to have. All must do that. Wages, rents, and prices must be controlled.

The cost of food used by wage earners has been going up at the rate of $1\frac{1}{4}$ percent per month since the price ceilings were set in May 1942. If this rise continues until next May, there would be an increase of 15 percent. I think that Leon Henderson should have placed price ceilings on all foods. I do not believe that he is restricted by section 3 of the act. In his message of September 7, the President stated that the Price Control Act prohibited ceilings until farm prices as a whole have gone up beyond parity prices. I believe this to be an erroneous interpretation. The Administrator has the right to fix a ceiling on all agricultural products except as stated in the act, and there is no provision in the act denying him the right to place a ceiling on any product until farm prices as a whole have gone up beyond parity prices. However, there is evidence that there have been very much higher increases in uncontrolled agricultural prices than there have been in controlled agricultural prices. Where ceilings have been fixed the percentage of increases in prices have been comparatively small. I believe the time has now come to put a definite ceiling on all.

The psychological effect for agriculture would be good. The consumers believe the farmers now have an unfair advantage. All the farmers demand is equality of treatment. They expect the same yardstick applied to them that is applied to labor, they want an equivalent control for all.

The ceilings as to agricultural products are being cited by labor constantly for increases in the price of wages. There is no question but that agricultural labor is a serious problem. Farms are being abandoned; labor is being attracted to higher wages. If farmers pay higher wages they must get higher prices for their products. Inevitably, the President, to remove the gross inequities, will have to consider in fixing ceilings, the cost of labor to farmers, otherwise farmers will be unable to produce food and feed for the prosecution of the war.

Standards of living are being threatened by higher prices. From the middle of May to the middle of August the price of uncontrolled food items increased 9.8 percent as contrasted with the price of controlled foods, which dropped 0.3 percent.

The bill under consideration is intended to provide the farmer with a parity income; it is intended to stabilize wages. The cost of food is an important item in stabilizing wages. Drastic action to prevent inflation is imperative. We must not have a disastrous inflation. Prices of labor and agricultural products should be controlled. This is the first and most important step to prevent unbridled inflation.

[Here the gavel fell.]

(By unanimous consent, Mr. WHITTINGTON was granted permission to revise and extend his remarks.)

Mr. DONDERO. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I endorse what has just been said by our able colleague the gentleman from Mississippi [Mr. WHITTINGTON] when he says that if we are going to authorize the President of the United States to include the cost of labor in the cost of farm products why do we not say so in the bill.

This morning I received a short telegram from Fred Beckman, a prominent citizen and farm leader in the second largest county in the State of Michigan. I am going to read it to you, because I think it is significant. What he says in this telegram undoubtedly exists in many other portions of the United States, and to my mind presents a serious and threatening condition which will have a very damaging effect upon the war effort of this country as it relates to the production of food so badly needed not only for ourselves but for the Allied Nations who are fighting this battle with us.

I ask you to listen:

Urgent you support farm program endorsed by National Farm Bureau, Grange, and Council of Farm Cooperatives. Sincerely believe cost of farm labor must be considered imperative calculation, if serious food shortage is avoided.

Now, listen to this line:

All auctioneers busy 6 days a week in this area because farmers are discouraged.

Auctioneers busy 6 days a week, doing what? Selling out the farmers. The farmers in that county—and they represent a considerable portion of the population of Oakland County, Mich.—are selling out, leaving the farms and the soil. Why? For two reasons: First, because the young men of the farms have been taken into the Army; and, second, those who have not been taken into the armed services of the country have gone into industry which exists in the metropolitan area of Detroit. The farmer cannot compete with the wages now being paid by industry. The result is the farmers do not have help on the farms to harvest their crops, and after they have raised their crops, they cannot obtain a price for their products sufficient to pay the labor entering into the cost of production. Unless we include in this legislation, now before the House, the right of the farmer to include the cost of labor in figuring his cost of production we are going to have the same condition that exists in Oakland County, Mich., repeated in many other parts of the country. The result will be that the war effort will be seriously affected and delayed, and the best efforts of the Nation to winning this war will be thwarted.

No one begrudges good wages to the laboring man, wherever he may be—whether in the factory or on the farm. If wages or the cost of labor is increased in industry now engaged in the production of the instruments of war, the industry does not have to absorb that increased cost or take it out of profits, it is simply added to the contract paid for by the Government and the taxpayers of the Nation meet such increased cost. The enormous increase in the cost of labor which the farmers are now com-

pelled to pay, if they can obtain help on the farm, cannot be passed on to the taxpayers of the country, but that increased cost must be absorbed by him in the price which he receives from the products of his farm.

The farmer is as patriotic as any other citizen in the country, and he is as anxious and desirous of doing everything possible to aid the Nation in its hour of peril. He can be depended upon to do his part. Let Congress make its contribution in giving the farmer a square deal by providing in the bill before the House a provision whereby the cost of labor can be included in the cost of production.

I intend to support this bill and vote to include farm labor in the cost of farm products.

Mr. O'CONNOR. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, as I view the bill that is before us, while I have said heretofore that it will not prevent the cost of living from rising or lower the present cost of living, and neither will it prevent inflation, yet I see from the record nothing that would indicate that the membership should be at variance. The only matter that is really in controversy is whether or not wages for farm work are to be figured in the formula of parity. The President of the United States, when he asked for this special legislation to give him additional power to control the cost of living and prevent inflation, seems to me, expressed the whole thing as to this controversial item when he used this language in the message that he sent to Congress:

After all, parity is by its very definition a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production, including the cost of labor.

When I read this statement made by the President, and when I read it now, I see no cause for dissension in this body, as the President emphasized the labor item when he used "a fair relationship," and so forth. I personally know, and feel, that it is the fair thing to do for the farmer and, so far as I am concerned, I am following the President in that matter. I do not want to put the President of the United States in a strait jacket; I want to give him the power he has asked for. If the amendment offered by the gentleman from Alabama were adopted, we had better not pass this bill; we would eliminate powers the President already has. He is our Commander in Chief; it is up to us to follow him in war and in domestic issues where we can. He is asking the Members of Congress to extend him additional powers to control wages and to control prices. The farmers and labor have no objection; in fact, want that, because he stated right in his message that the cost of production, including farm labor, shall be figured in parity.

Mr. FOAGE. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. FOAGE. I want to write that into the law because the President has changed his mind since he wrote that message. I do not know who induced

him to do so, but I do know that he was indeed ill-advised.

Mr. O'CONNOR. That is what the President said in his message, and that is what I am going by.

Mr. POAGE. Then, as I understand it, the gentleman from Montana wants the President to stay with that message just as I do. And since there seems to be some question as to what the views of the President may be, will not the gentleman join me in writing a clear mandate into the bill?

Mr. O'CONNOR. Answering the gentleman's question—of course, I want to write it into the law as I feel it should be and I feel that is what the President wants as expressed in his message.

I think the President made his wants very clear in his message to the Congress and to the country at large over the radio, and when I read his message on my return to Washington I remarked that the President is dead right on parity. I think that the President's message should be the basis of this legislation because after all he is the one who is charged with the responsibility of carrying on the war and its various ramifications. Something has been said about some letter or something to the effect that the President meant something else. I do not know what he meant but I do know what he said in his message and knowing him as I do I do not feel that he would blow hot and cold on the same question. Mr. Chairman, I am representing my country and the people as a whole and I want to see the farmers as well as everybody else get a fair deal. I want to see the farm family, the mother and children and the old man, if you please, get a little something for their labor that they put in in raising the food that we all eat. In addition to that I think that what they pay for hired help should be taken into consideration in considering parity. I know of no industry on the face of God's earth that does not consider the cost of labor in the price of the article it sells so why should the farmer be made an exception? After all the big thing is to produce food and you cannot hope to have food produced at less than cost of production, which includes labor.

We today of the West are paying from \$6 to \$8 a day for hired help to put up our hay and harvest our other crops. Our hay has no particular value excepting to keep our herds of sheep and cattle from starving during the winter months. Sometimes we are required to feed from 4 to 6 months out of the year. We are required to pay, this year, from \$4 to \$5 a day for boys, maybe 10 years old and a little older, and for women to work in the fields. This is the condition we are faced with already and we have not been in the war to exceed 9 months. Here is what is happening. Owing to the dearth of labor and owing to the fact that you can scarcely get it at any price many stock growers are turning their livestock in on their meadows and hope to market them this fall regardless of their condition.

It does not take a prophet or the son of a prophet to visualize in the near

future the specter of hunger in this country.

[Here the gavel fell.]

Mr. SHORT. Mr. Chairman, I move to strike out the last four words, and I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. SHORT]?

There was no objection.

Mr. SHORT. Mr. Chairman, I very seldom make any promise to anyone for anything at any time. However, I do strive to keep and fulfill any promise that I make. I have promised my people that I would never vote to place a ceiling on the prices of farm products unless at the same time we vote to put a limitation on wages in industry.

I was amazed that the President in his message of September 7 to the Congress attempted to escape his own responsibility and to place the blame for the failure of the present Price Control Act upon the Congress. When the existing law was before this body months ago for consideration, Members had the opportunity to vote for an over-all price-control bill. The young and able Representative from Tennessee [Mr. GORE] offered an amendment, essentially the Baruch plan, which provided control of both wages and prices for farm products. I supported and voted for the Gore amendment because I felt then and still feel that it is utterly impossible to control the price of any product, whether it be produced in the factory or on the farm, unless you control the price of every element and ingredient that go into the manufacture or production of the particular article or commodity. We all know that labor in most cases constitutes at least 80 percent of the cost of goods and services. When the Gore amendment failed of adoption, due to pressure brought by the administration, I was one of the minority who voted against the present Price Control Act because I thought it wholly inadequate and that it would prove to be a fraud and a failure.

The President now admits the failure of the present law. He had a majority months ago in the Congress, as he has today, to pass most any bill he wants, and it ill-behooves him after the farcical-tragical operation of the present law to blame Congress for its failure to act. I will admit that the present law is bad and that its administration has been worse. However good or bad it might be, it is the law of the land, and the President's threat to abandon this child of the administration by October 1, whether the Congress acts or not, is but another bold and brazen attempt of the Executive to usurp the legislative functions of Congress.

Mr. Chairman, the President has the power to veto, but he does not have the power under our constitutional system to modify, amend, annul, or repeal any act of the Congress. If the President can ignore a bad law, he also can ignore a good law. The merits of the legislation are beside the point. The ultimatum he issued to Congress is an arrow aimed at the heart of democratic processes. It is an unblushing assumption of unrestrained

power. This arrogant arrogation of legislative power by the Executive is worthy of the autocratic decrees issued by despotic monarchs in the Dark Ages. Millions of our fellow Americans are now engaged in fighting the most cruel and devastating war in all history. Many of them will lay down their lives for liberty, but to no avail if we lose liberty at home. What will it profit this Nation to fight and die to establish freedom abroad if we lose it here? The sovereign power of this Government is vested in the people and not in one man. The greedy grasp for power to exercise the functions of our three branches of government by any individual is not excused because the Nation is at war. Indeed, Jefferson insisted that the Constitution and strict adherence to it is needed more in times of stress and strain than under normal conditions.

Though we cannot ignore this fundamental constitutional question and the threat of the Executive contained in his message, let us examine briefly the bill now before us. No sincere friend of our American farmer could support it as it now stands. This measure definitely places a ceiling on farm prices and does not take into consideration the costs of farm labor in establishing parity. It leaves the President free to deal with wages in industry. This bill, if enacted in its present form, would destroy the whole principle of parity, and the poor farmers of our land, who constitute more than a quarter, almost one-third, of our entire population but who receive little more than 10 percent of our total national income would become slaves comparable to the serfs in feudalistic times. Today the American farmer cannot compete with the wages paid in private industry or the high wages paid by the Government to workers in defense plants. Hordes of men have left the drudgery of the farm to enter these more lucrative positions while millions of farmers' sons are being drafted into our armed services. Because of this vast exodus, voluntary and involuntary, from our American farms, not only our allies but our own people will soon be faced with an acute shortage of food. Napoleon once said that "An army fights on its stomach." We all know that food is just as essential as guns to win this war. Indeed, food is the basic requirement, and everyone knows that we must feed not only our own civilian population and our armed forces here and abroad but that we must send huge supplies to our fighting allies. It must also be borne in mind that the products of the farm are to be used not only for food but that many of the byproducts of farm commodities are necessary in the manufacture of munitions. Where, then, are we going to get this food for human consumption and for manufacture of munitions if we drain the farms of all manpower? If we continue to draft the boys on the farm and refuse to pay farm labor something which begins to approach the prices received by workers in industry, stark famine will stare us in the face.

The title of this bill says that it is "to aid in preventing inflation." Unless it is amended so as to include the costs of farm labor in establishing the price of

parity it will fail of its objective and indeed will produce exactly the opposite result. It will promote inflation rather than prevent inflation. Common sense tells us that if the farmer cannot receive the cost of production he simply cannot produce. When the farmer does not produce, there is a scarcity and scarcity always increases the price of any commodity. The best cure or prevention of inflation is abundant production. Abundant production cannot be achieved by placing a ceiling on farm prices. Due to the fact that the farmer is now selling many of his commodities far below parity and due to the fact that his labor supply has dwindled because of the induction of his sons into the service and because of more attractive prices paid to men in industry, thousands of farms are now being abandoned. Here is a widow who is forced to sell a fine dairy herd of 40 Jerseys because her son is drafted for military service. Here is an old couple too feeble to plow the land. Because the son is working in a defense plant, the land instead of producing food which will be sorely needed grows only weeds. Every day I receive numerous letters pitifully telling me of the sorrowful plight in which many farm families are selling their livestock at public auction and where it will be impossible for them to continue the pursuits of agriculture.

Nobody enjoys the rise in the cost of living; no one wants to see prices run wild but there can be no fair and equitable price control law that does not place a ceiling on wages at the same time it places a limitation on the prices of the farmers' products. Mr. Chairman, I regret that in this moment of our Nation's grave peril when unity of all our people is so sorely needed, that there should be any conflict between the executive and the legislative branches of our Government. I also deplore the attempt to drive a wedge between the so-called farm and labor blocs. Cooperation and not competition is what we need most in these critical days. All are in the same boat, and will sink or swim together. A great man, centuries ago, said: "To act contrary to conscience is neither safe nor upright." For the sake of the record I want all to know that I cannot with clear conscience support this inequitable measure. I shall vote for the amendment to include the costs of farm labor in reaching parity and if the bill does become law, I hope that it will not receive the same bad management and maladministration of the present act.

Miss SUMNER of Illinois. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, it seemed obvious last year when the Congress voted for the administration price-control program that the program was foredoomed to failure. Because the administration lacked sufficient political courage to resist industrial wage increases.

You know today that the bill under consideration will probably hurt rather than help matters because it invites wage increases for the large group of unorganized people who have not yet received their 15-percent increase. As soon as these workers get it, the administration

will not resist pressure from organized groups who will then demand further increases—if only because many organized groups are working in industries where relatively high wages, compared to the unorganized groups, are necessary in order to attract workers to war industries.

There is no question that in this war, as in the last World War, farmers are willing to be sacrificed for the benefit of other groups if that will help speed the victory, although it is nothing less than American to resent being sacrificed to impracticable theories and politics.

It is, however, of deep concern to every citizen of the Nation that there shall be produced sufficient amounts of corn, soybeans, cotton, and meats, and so forth, which are strategic materials necessary to save the country from defeat.

The committee has no estimates showing what amounts will be needed. Not a single witness from the administration testified concerning the bill before us. They are in a perfect position to blame mistakes on you. All we know is that the administration must not be against this bill, or it would not be supported so vociferously by New Dealers in Congress. Their chief argument for it seems to be that it will get increased wages for the white collar worker.

The answer to the question, What amounts of farm commodities are needed? depends considerably upon the crop weather, the amounts shipped to Allies, the ship sinkings.

This you do know, however: Farm production is becoming paralyzed by lack of labor and equipment. Farmers here and there are liquidating. While there is labor available in large towns where there are few defense contracts, that labor is not going to the farms, because the farmers have not the money to pay as much or more than W. P. A. wages.

You know that no price administrator on earth could keep down the cost of living if the food shortage becomes really serious. Men who have starving families get food for them any way they can, regardless of the number of policemen who guard the grocery stores. You know that Russia, when it liquidated the farmers, became the hungriest, "nakedest" nation of our time.

For reasons I have indicated, it is difficult to know what course is wise. Honest mistakes by you, under such circumstances, are excusable. But certainly it is inexcusable not to resist mistakes you know are mistakes. And surely it is imprudent not to make certain that there shall be adequate supplies of farm commodities needed for the war effort.

I know quite well that Members of Congress who resist mistakes are apt to be put on purge lists and smeared by certain newspapers for whose freedom of speech soldiers are dying. These newspapers may call you everything from moron to Mother Goose. Their smear stories drive the war off their pages. They seem to be more interested in making this a goose-stepping Congress than in defeating Hitler and Hirohito.

But no American worth the name will let himself be intimidated at a time when America expects every man to do his duty. This Congress shows excellent judgment whenever it uses its own judgment, resisting outside pressure. I hope that you will never again surrender your good judgment to those who blame everything and everybody, including Congress, for mistakes they make. Let us not render to Caesar the things that are not Caesar's.

Mr. NICHOLS. Mr. Chairman, I move to strike out the last six words.

Mr. Chairman, it is a bit strange to me that it is necessary for men to get up on the floor of this House and defend the farmer. I hope there are none of us who have forgotten there is no more strategic undertaking, no more vital industry in the United States than that of agriculture. Why should not the farmer have the cost of farm labor computed in parity? Mr. Chairman, if we do not do it we are going to impoverish the farmer and finally we are going to destroy his ability to produce both food and clothing.

Is it necessary that we have food and clothing? Of course it is. It is necessary to feed the civil population, it is necessary to feed the military and the naval forces of our own country and beyond that the American farmer today is faced with the responsibility of feeding and clothing 50 percent of the population of this earth.

I have just been home. The situation in the Southwest is about as follows: The young man has either gone to the war or, following attractive wages paid in defense industries, he has gone to the factory. For the most part, the farmer today is a man above 50 years old. Anybody under 50 years of age either goes into the Army or he can make \$60 to \$100 a week in the defense plants.

That leaves you with this situation: The only people you have left on the farm today are the men above 50 years old and the women and children. You go into the fields of the Southwest today and you will find the farmer trying to do his job.

One other thing. This Government has to start looking on the farmer and the farm as strategic. He has been pushed back, he has been pushed aside. Cotton is selling for 6 cents in the seed, yet they are demanding \$2 a hundred to pick it. You cannot pay \$2 to pick 6-cent cotton. What is that going to mean? That is going to mean that the cotton this year is going to stay in the field. Whom is that going to help? Is it going to help the laboring man? Certainly not. It is not going to help anybody. It is going to impoverish this country.

It is not a matter of whether or not the farmer is going to make a lot of money. Everybody knows the farmer is not going to make a lot of money. He never has and he certainly will not now.

The fondest friend of labor certainly will not take the well of this House and argue against permitting the farmer to include the cost of labor in fixing parity. I can think of nothing more equitable. Certainly there will be few votes against

the amendment, when it is offered, providing that labor shall be included in computing parity. Unless you do it, you are going to make it impossible for the farmer to produce those things which he must produce.

This is the farmer's situation: We must repeal the laws which are keeping acres out of production. If this war goes on, this country has to put every available acre into production. Then we are going to demand of the farmer that he produce more per acre than he has ever produced before in the history of this country.

Against that, however, he has no labor with which to do it, and we will not permit him to pay wages which will attract labor back to the farm. Unless we do that, we cannot produce more from each acre and we cannot put in more acres, and it will be a physical impossibility to do the thing which the farmer must do. So, of course, we have to include the cost of labor in fixing parity.

[Here the gavel fell.]

(Mr. NICHOLS asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. SMITH of Ohio. Mr. Chairman, I move to strike out the last 3 words.

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. SMITH of Ohio. Mr. Chairman, yesterday in my remarks on the floor I suggested that in view of the all too brief time given us to write a safe and good price and wage control bill we might pass a temporary law which would stabilize farm prices and wages at their present levels. I suggested that this Act might be in effect for a period of 90 days. That would give the Congress more time to study and consider properly this very important subject before writing a permanent act.

When I made that suggestion I had in mind the grave inequities which I believe the pending bill will create, its inflationary potentialities, the all too short time we have had to consider this bill, and particularly the critical situation that confronts the Congress as a result of the President's peremptory demand upon it. I wish to state now that, depending on the course the pending bill takes, I shall offer an amendment embodying my suggestion.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was rejected.

The Clerk read as follows:

SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this act; may exercise any power or authority conferred upon him by this act through such department, agency, or officer as he shall direct; and may suspend any provisions of law relating to the establishment or maintenance of prices, or to wages, salaries, or other factors affecting the cost of living which are inconsistent with the purposes of this act.

Mr. STEAGALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STEAGALL: On page 2, line 5, after the word "Act", strike

out the semicolon and insert in lieu thereof a comma and the word "and." Also, in line 7, after the word "direct", strike out the semicolon, insert a period, and strike out the remainder of the section.

Mr. STEAGALL. Mr. Chairman, this amendment simply strikes out of this section language which was inadvertently included. It merely corrects a clerical error. The committee is in entire agreement on the adoption of the amendment.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from New York.

Mr. WADSWORTH. If this language is stricken out, what is the purpose of the language in the first sentence of section 4?

Mr. STEAGALL. I do not know just what language the gentleman refers to in section 4.

Mr. WADSWORTH. The language which is about to be stricken out was intended as written to give the President the power to suspend laws. With that in the bill, the committee reported in section 4 a prohibition against the suspension, as it were, of provisions of the Fair Labor Standards Act. If this language is stricken from section 2, what is the purpose of forbidding the suspension of the Fair Labor Standards Act?

Mr. STEAGALL. The language in section 4 deals with the substance of section 4, and I do not see that it has any relation to the provisions of section 2. In any event, this language represents a clerical error, and it was never intended to be reported in the bill by the committee.

Mr. WADSWORTH. Section 4 reads:

No action shall be taken under authority of this act with respect to wages or salaries which is inconsistent with the provisions of the Fair Labor Standards Act.

Mr. STEAGALL. Yes.

Mr. WADSWORTH. That apparently was put in as a limitation of the power given in the latter part of section 2. That part of section 2 coming out, why leave that other language in the bill?

Mr. STEAGALL. I do not think the gentleman is correct in his construction. Section 4 relates to the actions to be taken by the President with respect to salaries and wages.

Mr. WADSWORTH. So does section 2.

Mr. STEAGALL. I would not contend that this limitation would necessarily have to be included in the bill to make clear the legislative intent, but it is simply an expression of the intention of the committee that the Fair Labor Standards Act should not be disturbed by any action taken by the President, and there are several other inhibitions in section 4 against actions which may be taken by the President.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. STEAGALL].

The amendment was agreed to.

[Mr. H. CARL ANDERSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

[Mr. HOOK addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HINSHAW. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I think it is quite evident that if we had adopted the Gore bill a year ago we would not be in this mess today. I voted for the Gore bill, which embodied the ideas of Barney Baruch gained through his experience as Price Administrator in the last war. Out in my country we have dairies that are operated in the Los Angeles metropolitan area. At one time they paid milkers in those dairies \$100 to \$125 a month. Now it is \$200 and \$225 a month, and they cannot get enough of them. If you think a dairyman can sell milk under a price ceiling established several years ago on any kind of a parity basis and pay those wages, you have got something else to think about. Dairymen are selling their herds to the packers and that spells a shortage of dairy products in the not distant future.

But that is not what I rose to discuss primarily today. I hold in my hand a printed sheet, printed on both sides, about 12 by 20 inches, which is the formulative regulations by the Office of Price Administration for the establishment of price ceilings on aircraft, aircraft subassemblies and parts. I had thought that the Office of Price Administration was supposed to be concerned with consumer goods, but evidently I was mistaken. I would think that in controlling prices of consumer goods they had plenty to do, without concerning themselves with the business of the W. P. B., the Army and the Navy, and the W. L. B.

Last spring when the President declared his seven-point program the representatives of aircraft labor and manufacturers promptly assembled in Washington for the purpose of discussing stabilization of wages with Government officials. They arrived at some basic agreement and then went home for further meetings. When they got there and opened their meeting at home a representative of the Office of Price Administration showed up and offered this sheet and a whole stack of other stuff demanding a cost accounting on aircraft and aircraft subassemblies and parts as of March 31, 1942, with a wage base as of April 27, 1942, stating that the intention of O. P. A. was to establish price ceilings on these defense articles as of March 31, I believe. They proceeded to completely throw all negotiations between employers and employees into a turmoil by announcing that there would be no stabilization of wages, even though the President had said there would be stabilization. This whole group had to return then to Washington for further negotiations, and as far as I know they are still here. The Office of Price Administration, in other words, has attempted to override the War Labor Board, the War Production Board, the Army, the Navy, and all of the other agencies of Government that had to do with defense industries, and take unto themselves the powers of negotiation supposedly residing in these agencies.

Perhaps by now the muddle is straightened out—I do not know.

Of course the great difficulty involved in this "Title 30, national defense, chapter 11, Office of Price Administration" sheet is the fact that they demand a cost accounting and propose to freeze wages. If anybody can tell me how you can arrive at the cost of a contract that is not yet completed I would like to know how to do it. It would take more accountants than there are in the United States to figure it out, and they could not then give more than an approximate answer.

I would like to ask the gentleman from Tennessee [Mr. GORE], who is the only member of the committee on the majority side who is paying attention at the moment, whether or not it was his idea that the price-control bill was supposed to have anything whatever to do with the prices of defense articles?

Mr. GORE. In reply to the gentleman I will say that authority is clearly granted to place maximum prices on those articles.

Mr. HINSHAW. Was it the gentleman's idea that the purpose of the Price Control Administration was to monkey with the prices of defense articles, or was it consumer goods?

Mr. GORE. If necessary, certainly.

Mr. HINSHAW. Then how does the gentleman expect the Army and the Navy to satisfactorily negotiate contracts for the delivery of defense articles?

Mr. GORE. Certainly the gentleman does not think that we should leave all work connected with the war program beyond the realm of regulation?

Mr. HINSHAW. Does not the gentleman think that the Army and the Navy are able to regulate the prices of defense materials? They negotiate the contracts and know what they want, when they want it, and the quantities needed.

Mr. GORE. Certainly the Price Control Act was intended to apply to many of those basic commodities, or else the increased cost of the war would be stupendous.

Mr. HINSHAW. I agree with the gentleman as far as basic commodities are concerned, but this is for aircraft, aircraft subassemblies, and parts. The same thing could be applied to anti-aircraft guns, tanks, trucks, or anything else.

Mr. Chairman, one great point in the President's seven-point program of last spring was stabilization of wages. This part of the program is badly needed to stabilize labor in their jobs. Stabilization should be arrived at quickly and on the basis of proper job classification on a regional basis. That should be accomplished in order to insure a minimum of labor turn-over in defense industries. Defense industries have been bidding against each other for skilled as well as unskilled labor in an ever-thinning labor market. That could be stopped by wage stabilization and when it is stopped then training and experience will improve the production of defense articles, and the war effort will be increased. Wage

freezing may come but stabilization should precede it.

[Here the gavel fell.]

Mr. CREAL. Mr. Chairman, I move to strike out the last six words.

Mr. Chairman and gentlemen of the jury, somebody has committed a wrong in the last few days and we have before us a list of 8 or 10 of the accused parties. Seven or eight middlemen, some transportation fellows, some higher wage boys and one old horny-handed farmer is also in the accused list. He is my client for whom I would like to enter a plea of not guilty as to who threw the rock.

Before this war ends you are going to hear the anguished cry in America, "When do we eat?" It is of very little importance, this floating dollar that seems to be in abundance, as to what particular citizen grabs the bigger corner of it in tearing that bill in two, whether it is John, Bill, or Jack, but I do not like the system that we are now about to propose on that far greater question as to "When do we eat?"

You appeal to patriotism for a man to stay on the farm. I appreciate that compliment very, very much, because in that you ascribe to the 25 percent of the population a greater degree of patriotism than you expect others to pay any attention to who have been lured by the dollar. Will patriotic appeal alone keep a man on the farm when just a few miles away he could throw his tools down and improve his financial condition and let the farm stand idle? That is the perturbing question to me. While we want people to have their fair share, that fades into insignificance. When you make an error about an airplane you can correct it immediately. If you have too many men in one factory you can ship them overnight to another, but when you make a mistake and sleep on the job about the question of the abundant food supply you cannot correct it in the shortest time less than 12 long months, and a man could get hungry in that time.

I want to ask every man here if he does not believe this statement true: If the farmer's price had not raised one single red penny in the last 6 months and had been frozen by an act of law there would still be the rise in what you buy to eat? You know and I know that there would be practically no difference in what the consumer pays if there had been no rise in price whatever in what the farmer sold. Did you not hear the gentleman from Washington speak the other day of the \$17.50-per-ton onions hauled 25 miles in his own truck to market that retailed at 10 cents a pound, or \$200 a ton? Do you not believe that the people would still be paying 10 cents per pound if onions went up or down a dollar a ton? Let me amplify with a striking illustration. I eat up here at a little restaurant occasionally. I am very fond of peach pie. They used to serve a quarter section of pie for a dime. The other day I noticed their prices and found the pie marked at 15 cents, but lo and behold, when it came instead of being a quarter

it was one-eighth. He had doubled the number of pieces of pie in the peach pie and then added 5 cents to the price of each piece, a jump of 80 cents per pie instead of 40, and all the material that went into that pie, a scanty crust and that little smear of peach that you could smell on the crust, all of that at no time since Pearl Harbor or any other time to Mr. Peach Grower in Georgia or somewhere else did not fluctuate in price more than one and a half or two and a half cents—all the material that went into that \$1.20 pie.

You are after the wrong man. My man is the least guilty of the whole crowd. He is the only man you propose to put the hooks to specifically here, and when you do that you will furnish the consumer no relief.

Mr. CREAL. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CREAL. Since when has Congress ceased to have authority to make a definition? Can we not define whisky for the purpose of collecting revenue? Can we not define tobacco? Can we not define what coca-cola is? All we propose to do here is to say what parity is. The only substantial objection to that would be that we are not properly defining parity. If the power exists somewhere to ignore our definition today it will still exist on tomorrow and next week; but where is there any wrong in defining anything? Then when you pick up that tool we have defined, such as tobacco, or whisky, or parity, or coca-cola, the man using those tools in seeking revenue or limitations may act according to his own notion. I am not going to say whether there is the power already or not; I will say that if the power exists today, to ignore parity it will still exist after we have given a proper, sensible, logical, scientific, legal definition of parity.

Are you going to surrender your right to define anything in the manner in which it should be properly, scientifically, legally defined? That is the question. Define it, define it properly; let the men use it as they claim to have the power to use it. I cannot see any reason whatsoever in not being able to give definition to any law you pass, to state what is the proper and legal definition of the objects affected by the law.

Mr. Chairman, as I said in the beginning, I am not so interested in the question of who grabs the dollar as I am afraid of what is about to come upon us. I have been home myself for a month. I know of farms that are absolutely idle and that are going to be that way next year. I know that production is going down. You had 8,000,000 last year, 7,000,000 this year raising something to eat. Would it be rather high to state that you are going to have 6,000,000 next year? And had you ever thought when dealing with the problem of production that in some years God Almighty steps in with a drought with sometimes a re-

sulting 50-percent reduction in crops? We have had several pretty good years. Nature has a way of repeating herself; we are about due, according to the cycle, for a drought—a 50-percent reduction in yield per acre on a 25-percent manpower acreage. It just takes one year like that to raise the question, When do we eat?

[Mr. GILCHRIST addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. GILCHRIST asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. HILL of Colorado. Mr. Chairman, I move to strike out the last paragraph.

Mr. Chairman, no group in America is more patriotic than our farm population. In every struggle that has faced this Nation American agricultural leaders have shown by their deeds the deep love and devotion that they have felt for their country. In this present crisis we have another demonstration of their abiding faith and loyalty to our democracy. Every farm family in America is willing and anxious to produce to the limit to see that our boys at the front and our Allies have plenty of food and clothing as well as the finest military equipment that is possible for us to provide them.

Long hours and intensive labor have always been the lot of those who till the soil. During harvest seasons when the available labor supply is short, every member of the family becomes a part of the necessary labor supply line and work extra hours, even to the extent of human exhaustion, to bring in the grain or finish the harvest.

But there is a limit of human endurance. When we see necessary farm labor, with experience, drafted into the armed service, sons of farmers long past middle age, who have been depending on this help for many seasons past, we understand why some of our best farm operators are planning on the curtailment of acreage and the cutting down of the farm operations because of inexperienced farm labor. If this continues we may face a real shortage of farm products before this war ends.

With the uncertainty of unfavorable price control manipulation, with labor shortage, and the freezing of labor saving farm machinery, the future for favorable operation of farms seems questionable. Little blame can be placed on the shoulders of our farmers when so many unfavorable circumstances face food production in this country.

Mr. Chairman, this would not be so serious if it were not Nation-wide. The cranberry grower of the New England States, the vegetable grower of the Middle Atlantic, the cotton grower of the South, the corn producer of the Mississippi Valley, the wheat producer of the Great Plains, the cattle and sheep growers of the West, the beef producer of the

Mountain States and the west coast, and the fruit grower of the far West and the South all face identical situations. Now this House would add to the confusion by passing a measure definitely fixing farm prices or ceilings without consideration of the increased cost of production placed on our farm operators. Gentle-

men, it simply does not make sense. For your information I shall include as part of my remarks tables of farm prices for the past 5 years, plus a 5-year average column. These tables were supplied by the agricultural marketing service and the economics department of the Colorado State College of Agriculture.

Average prices received by farmers in Colorado

[Figures compiled from Agricultural Marketing Service reports]

Commodity	Aug. 15 1933	Aug. 15 1939	Aug. 15 1940	Aug. 15 1941	Aug. 15 1942	Aug. 15 (5-year average)
Wheat, per bushel.....	\$0.45	\$0.48	\$0.55	\$0.83	\$0.89	\$0.64
Corn, per bushel.....	.53	.50	.66	.67	.80	.63
Oats, per bushel.....	.25	.30	.33	.35	.40	.32
Barley, per bushel.....	.27	.35	.39	.40	.50	.38
Potatoes, per bushel.....	.41	.65	.50	.55	1.15	.65
Hay (loose), per ton.....	7.10	7.50	7.50	5.90	7.20	7.04
Alfalfa, per ton.....	6.80	7.80	7.80	6.70	7.70	7.36
Apples, per bushel.....	.90	.70	.70	.65	.85	.76
Hogs, per hundredweight.....	8.00	5.30	5.80	10.40	13.90	8.68
Beef, per hundredweight.....	6.70	7.10	7.50	9.20	11.20	8.34
Veal, per hundredweight.....	7.80	8.20	8.90	11.20	13.70	9.96
Sheep, per hundredweight.....	3.10	3.50	3.15	4.55	5.40	3.94
Lambs, per hundredweight.....	7.20	7.60	8.10	10.00	12.90	9.16
Milk cows, per head.....	51.00	55.00	56.00	73.00	90.00	65.00
Horses, per head.....	65.00	65.00	56.00	65.00	76.00	65.40
Mules, per head.....	84.00	88.00	79.00	74.00	90.00	83.00
Chickens, per pound.....	.141	.117	.113	.151	.178	.140
Turkeys, per pound.....	.15	.14	.13	.14	.17	.15
Whole milk, per hundredweight.....	1.35	1.35	1.50	1.80	2.15	1.63
Butter, per pound.....	.27	.25	.28	.35	.40	.31
Butterfat, per pound.....	.21	.21	.24	.32	.39	.27
Eggs, per dozen.....	.197	.153	.148	.240	.291	.205
Wool, per pound.....	.19	.21	.26	.33	.40	.28
Dry beans, per hundredweight.....	3.80	3.30	2.40	2.65	3.95	3.22

Under another table I offer the 1941 percent of parity and the 1942 percent of parity. These tables are worth careful study. They paint a real picture of present conditions:

*United States farm prices in percent of parity,
Aug. 15, 1941 and 1942*

[Figures compiled from Agricultural Marketing Service Reports]

Commodity	1941, percent of parity	1942, percent of parity
Wheat.....	74	71
Corn.....	80	85
Oats.....	60	70
Barley.....	51	60
Rye.....	50	45
Dry beans.....	91	87
Potatoes.....	73	107
Hay.....	47	49
Apples.....	65	79
Hogs.....	106	128
Beef cattle.....	123	137
Veal calves.....	114	123
Sheep.....	82	82
Lambs.....	120	135
Butterfat.....	106	107
Whole milk:		
Hundredweight.....	107	106
Retail.....	117	115
Chickens.....	105	113
Turkeys.....	82	91
Eggs.....	95	102
Wool.....	143	142

As a final table, I offer a list of the usual farm products of my territory, figured as to the increased cost of labor. Here again you begin to understand why many farmers are not reaping the financial harvest many of our city farm advisers would lead you to believe:

*Effects of increases in labor and feed costs on
the total cost of producing certain farm
commodities*

Commodity	1942, percent increase over 1941 in labor rates	Percent labor cost of total cost of pro- duction	1942, percent increase over 1941 in feed prices	Percent feed cost of total cost of pro- duction	1942, percent increase over 1941 in cost of production
Wheat:					
Irrigation.....	67	14	-----	-----	9.4
Dry.....	60	20	-----	-----	12.0
Barley.....	67	11	-----	-----	7.4
Oats.....	67	11	-----	-----	7.4
Potatoes.....	50	28	-----	-----	14.0
Sugar beets.....	38	40	-----	-----	15.2
Alfalfa.....	60	15	-----	-----	9.0
Butterfat.....	67	20	20	60	25.4
Whole milk.....	67	20	20	60	25.4

For your further information it might be well for us to consider what our national farm organizations are thinking on this matter. I quote from recent statements.

National Association of Commissioners, Secretaries, and Directors of Agriculture:

1. The so-called parity prices are not only a misnomer, but in no way represent equitable parity to the farmer. On the other hand, they do him a great injustice. This is because this so-called parity is based on an old formula of calculation that is both unjust and discriminating to the American farmer.

2. Present prices for commodities, which are the same as wages to the farmer, represent on the average less than 20 cents per

hour for his toil and work as compared to 60 cents to \$1 or more an hour for the industrial worker.

3. Even if our farmers received 110 percent of the so-called parity prices it would represent on an average less than 25 cents per hour for their work and below actual cost of production.

4. It should be especially borne in mind that the advance in commodity prices since 1939 was from the ruinous low level of only 52 percent of the so-called parity.

5. Compared to the 1909-14 price levels, commodity prices on the average are up less than 51 percent compared to an advance of 197 percent in the wages of the industrial workers. In other words, wages of the industrial worker have advanced four times compared to the advance in price of commodities.

The National Grange:

Plentiful production. To win the war we must have vast supplies of food, equipment, and munitions for ourselves and our Allies. We must protect our machinery of production from any chaotic economic upset such as would accompany inflation.

A just peace will require equally vast supplies of ready food for a starving world and a foundation for rehabilitating Europe's agriculture. A return to peacetime conditions without destructive deflation is possible only if we have avoided inflation during war days, and if we develop ways of preventing prices from falling below compensatory levels. In our judgment, maintenance of production is domestic problem No. 1, with the prevention of inflation running a close second.

The problem of production and the prevention of inflation are inseparable. The two chief causes of inflation are rising costs and the pressure of income upon short supplies. The surest defense against inflation is plentiful production.

National Farmers' Union:

The immediate stabilization of farm prices, wages and salaries, and profits to business, with parity of sacrifice placed on every group in the Nation.

The Nation is moving to a manpower crisis without adequate plans and machinery to meet it. Neither in industry nor agriculture can the manpower problem be met primarily by the payment of higher wages. This will soon be apparent. The Executive should have power to allocate the supply of farm labor and supplement wages where necessary.

Price relationships artificially established by our farm programs cannot be allowed to stand in the way of quick action to use our land and manpower resources fully for their most efficient and necessary yields. Only production-incentive programs with stabilized markets and minimum price protection can insure maximum production of all major farm commodities.

It costs the unbearable amount of 48 cents of the consumer's food dollar to move our products to his table, leaving the farmer only 52 cents out of each dollar. The President and the Secretary of Agriculture must have war authority to move in on this wasteful take.

The National Grange, the American Farm Bureau Federation, and the National Council of Farmer Cooperatives:

It is our duty to point out to you that the best protection against inflation is abundant production. Already the production of food and fiber in this country has passed its peak. Unless farmers can pay adequate farm wages, production of these essentials will continue to decline. The demand on farm labor by the military services and the attractive wages and shorter hours of labor which are already prevailing in industry are resulting in farm laborers, farm boys and girls, and even farm operators leaving our farms in ever-increasing numbers.

During my visit home in August I had occasion to visit and have dinner with the T-Bone Club of Greeley, Colo. This club is composed of members, all cattle feeders, producing fat cattle in Weld County, Colo. These members do year-around feeding and usually feed about 30,000 head per season. Estimates were that this group of feeders would produce about 17,000,000 pounds of dressed beef annually. The number fed per member varies from 100 to 5,000 head. In our discussion after dinner we discovered that very few of them were planning to fill their corrals, a conservative estimate seemed about 40 to 60 percent of normal feeding. The reason for this I discovered, was almost entirely due to the uncertainty of the price-fixing program of the Office of Price Administration. As part of my remarks I include resolutions passed by the T-Bone Club at their last meeting:

The T-Bone Club of Greeley, Colo., vigorously protests the present ceiling and ceiling controls on cattle. These controls are not working satisfactorily because of the many inequities on all sides which are familiar to everyone, and in our opinion need serious changing in order to be more equitable to all grades of classes of fed cattle, or fed cattle will not be produced.

You have had recent proposals to establish ceilings on live cattle. We do not think you can find any producer who will agree that this is the answer to the situation. If you impose ceilings on live cattle you will injure production more than any other one single thing you can do, because where it has been difficult to enforce ceilings on dressed beef it will be many times more difficult to enforce ceilings of any kind on live cattle. No one would benefit from ceilings on live cattle except some packers, and if you change the price grade of fed beef and adjust ceilings between various cities and various markets there is no reason why the packers need to have any other help than that.

It has been called to our attention of the recent publicity on meatless days. The Department of Agriculture should know better than anyone else that it took years to get over this propaganda from the last war. We realize that meat rationing will be necessary, and we are agreeable to calling it meat rationing, but let's stop the propaganda of meatless days as that will injure everyone. We understand that the House and Senate restaurants have started this in Washington and other restaurants have followed: Therefore be it

Resolved, That we enter a vigorous protest to these facts which we have mentioned, and we ask the Secretary of Agriculture to use all of his influence in correcting the ceiling situation, and particularly in stopping the meatless days propaganda.

A. W. AVERY,
HILDING BERG,
REX EATON,
W. D. FARR,

Resolutions Committee.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. HILL of Colorado. I yield to the gentleman from Arizona.

Mr. MURDOCK. I wish to confirm what the gentleman has stated regarding the far West. From my observation similar conditions prevail in the State of Arizona which the gentleman has described in Colorado. I also agree with the gentleman from Iowa that the farmers are getting only a small fraction of the amount the consumer pays for the farmer's product. As the gentleman

from Kentucky says, the farmer is not the guilty party in the rising cost of living.

Mr. HILL of Colorado. Let me add that the actual expense of harvesting our potato crop for 1942 has increased 50 percent, and many times the farmers cannot get helpers even at the increase in wages.

(Mr. HILL of Colorado asked and was given permission to revise and extend his remarks in the RECORD.)

The Clerk read as follows:

SEC. 3. Notwithstanding any provision of the Emergency Price Control Act of 1942, no maximum price shall be established or maintained for any agricultural commodity under authority of this act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner); or

(2) The highest price received by farmers between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials);

and no maximum price shall be established or maintained under authority of this act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefore equal to the higher of the prices specified in clauses (1) and (2) of this section: *Provided*, That the President may adjust the price for any commodity between January 1, 1942, and September 15, 1942, to the extent that he finds necessary to correct gross inequities.

Mr. BROWN of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Georgia: On page 3, at the end of line 14, add the following paragraph:

"For the purposes of this act, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor."

Mr. BROWN of Georgia. Mr. Chairman, our country is to be congratulated on the progress we are making today in obtaining the implements of war. Some time ago when we were considering the price-fixing bill that is now the law, one of the Government witnesses testified that in order to get labor in the industries to produce the implements of war they had to offer a higher wage than was given labor in civilian industries. These instruments of war have cost us a great deal, but they claimed that was the only way we could obtain sufficient labor.

In my opinion, within a few months from now we shall have a shortage of food. In my section of the country and in all the other sections of this great land labor is leaving the farm to get work at higher wages, and you cannot blame them for it. Practically all those who are able to work are going into industry in order to obtain higher wages. The

farm producer, in order to have his crop harvested, is thus forced to employ aged persons, both men and women. Further, as stated yesterday, the schools in my section of the country are closed today in order that the small children may help gather the crops.

To me, it is just as important to entice labor back to the farm to produce food as it was to entice labor into the industries to make the implements of war with which to win this war.

This is not an unfair amendment. It is just offering the farmer something in the neighborhood of equity. It is just offering the farmer labor costs which should have been calculated in parity at the beginning. It does not offer him what he is entitled to.

When we had the original price control bill under consideration Dr. Tolley stated that the cost of labor should be included in calculating parity. Who is Dr. Tolley of the Agriculture Department? He knows more about parity and all the elements constituting parity, which is his specialty, than any other man in the United States. He is the recognized authority on it. His testimony was that parity should include all the elements of labor costs.

What else do we have on it? Our great President in his message to this body stated:

Calculations of parity must include all costs of production, including the cost of labor.

The President's attention was called to this by many people. He explained his message was not intended to have labor on the farm calculated as one of the elements of parity. In his message, however, he said that the calculation should include labor, meaning by the very usage of that language that labor was not one of the elements of parity.

What does this amendment do? It gives only about a 4.5 percent rise in the parity formula if you take into consideration only day labor, or hired labor as we call it. It gives only about a 7-percent rise if you include both hired labor and the family labor. It gives about a 12-percent rise if you include operating labor together with hired labor and farm labor. To give justice to the farmer, everyone will have to admit that labor costs should have been included in the elements of parity at the beginning.

Is it not more important to have sufficient food and clothing for the Army, Navy, and civilians than to place a ceiling on farm prices which would prevent this?

How are you going to get these people back to the farm? How are you going to do it in my State, where these people are working in many large plants at four or five times higher wages? Who blames labor for leaving the farm? But who is going to cultivate the farm? The landlord will have to sell his farm or quit because he will lose unless he can obtain a better price for his commodity. He must have a better price in order to pay labor a higher wage.

I hope this amendment will be adopted.
[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT as a substitute for the amendment offered by Mr. BROWN of Georgia: On page 3, line 14, after "inequities", strike out the period, insert a colon, and add the following: "Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case in which he finds that such modification is necessary to increase the production of such commodity for war purposes, or in which it is satisfactorily shown that by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities."

Mr. WOLCOTT. Mr. Chairman, in the amendment offered by the gentleman from Georgia [Mr. BROWN] the parity would be the equivalent to about 112 percent. The reason this legislation is before us is because the President blamed 110 percent of parity for the rise in the cost of living. The rise in the cost of living was due to the fact that the President and the Administrator of the Office of Price Administration did not exercise the powers which had been given to them to stabilize the cost of production of nonagricultural commodities.

I would like to see the cost of farm produce as reflected to the farmer go up to at least 112 percent, but I do not want to see it go up to 112 percent if it is going to reflect to the farmer much less than that in the actual purchasing power and value of the American dollar. So I want to analyze for a moment what the amendment that I offer does.

What we are fearful of today is that if farm labor is not given consideration in determining parity we will not be able to grow the things which are necessary to feed our armed forces and our civilian population. Therefore, we maintain the philosophy of this bill in this amendment by authorizing the President for two purposes to give consideration to the farmer's labor or what he pays for labor. The first is to encourage enough production of agricultural products to feed our armed forces and civilian population. Then when he finds that because the price that the farmer has to pay for labor so increases his cost of production as to either discourage production on the farm or bring farm prices out of alignment with nonagricultural commodities this constitutes in anyone's language a gross inequity and the President then can add to the parity price the amount which he pays for the labor. Now, at most, this bill increases this parity to 104.6. I want to call attention again to the fact that if you will turn to page 3 of your bill, the proviso that the President may adjust the price of any commodity between January 1, 1942, and September 15, 1942, to the extent he finds it necessary to correct gross inequities, does not apply to the parity referred to in subsection 1. It applies only to the prices referred to in subsection 2. So if

you accept the Brown amendment you have frozen farm prices at 112 percent.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN (Mr. BOEHNE). Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. In just a minute when I have finished my statement.

Now, what we do is to compromise between these two extremes of no help to the farmer and an amendment which we know is going to result in the veto of this bill, putting Congress in the same position and the American form of government in the same jeopardy as we would had we taken no action at all. So between these two extremes, Mr. Chairman, it seems to me the amendment which I have offered and which I hope will be accepted by a majority of this Committee, is a reasonable compromise, something which will give the farmers something real because you know and I know and every Member of this Congress knows that if you write the Brown amendment into this bill, the bill will be vetoed by the President and then where are we? Just where we started, and the public is going to say that because the Congress was diffident and did not act, prices are going up. We have got to be reasonable about this. We have got to save the American form of government.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Miss SUMNER of Illinois. Is there not this difference between the gentleman's amendment and the Brown amendment: the gentleman's amendment gives the President the option to say whether or not he will add labor prices to the farm prices?

Mr. WOLCOTT. Yes; this whole bill gives him the option to do anything he pleases under certain circumstances. We have set up certain standards, the standard in this case being that if he finds gross inequity results from not taking into consideration the cost to the farmer of his labor, then he shall modify it upwards and take it into consideration.

Miss SUMNER of Illinois. The President has already stated that he did not believe in adding labor to the prices. He has already said this in a letter to Chairman STEAGALL of the Banking and Currency Committee.

Mr. WOLCOTT. If he finds that a gross inequity results to the farmer as a result of not doing so, then there is a mandate in this bill that he must do it.

Miss SUMNER of Illinois. Does the gentleman think he is going to find today what he could not find last week?

Mr. WOLCOTT. We will look into the future in the operation of this measure.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Mississippi.

Mr. COLMER. As I understand my friend's amendment, it would leave the matter largely in the discretion or in the hands of the President. As has been pointed out, the President has said he does not want it. So if we adopt the gentleman's amendment we have not got any place.

Mr. WOLCOTT. You have just as much as you would have if you pass this bill, because you have left everything, otherwise, in this bill to the discretion of the President.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the substitute amendment.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. DIRKSEN. I am sure the Committee would like to know, before this debate goes further, whether the Brown amendment includes only hired agricultural labor or family labor as well, because it is an important distinction, and it ought to be made right now.

Mr. AUGUST H. ANDRESEN. The Brown amendment, as I understand it, includes all farm labor including hired farm labor. There should be no apprehension about that.

Mr. BROWN of Georgia. It includes all, because it includes hired labor and family labor and also operating labor.

Mr. DIRKSEN. Then the Committee ought to understand that family labor may be computed for the purpose of the Brown amendment.

Mr. BROWN of Georgia. Yes.

Mr. AUGUST H. ANDRESEN. All labor is included on the farm very rightfully, including hired labor, which should be included.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. CRAWFORD. If the Brown amendment is adopted and used hereafter, would it carry the 104.6 onto the 112 in these figures?

Mr. BROWN of Georgia. It would carry the 112.

Mr. AUGUST H. ANDRESEN. As I understand it, it would carry whatever index figure the addition of this type of labor added to the formula. I am supporting the Brown amendment. I think it should be approved overwhelmingly by this House for the reason that unless something is done to aid agriculture in securing production we will soon have a scarcity of farm products. It takes labor to produce food for our people and food to win the war. Congress and the farmers are being blamed a great deal for the high cost of living. The facts will show that the increased price in food products is largely due and solely due to the administration policy. Under the existing law, which provides for prices 10 percent above parity, Mr. Henderson and his associates could have stepped in at any time and pegged the price of pork and beef and the other commodities that have risen over 10 percent above parity and pegged them at that price. The administration failed to take this action and

consequently some prices, particularly of beef and pork, have gone way beyond 110 percent of parity, and now the buck is being passed on to Congress to do something about it in order to reduce prices.

This bill does not reduce the price as some expect it will, because it definitely pegs the prices on beef and pork at the highest price between January 1, 1942, and September 15, 1942, and you will see the prices pegged at that figure. Therefore, the existing law is much better if they want to bring prices down than to enact this bill, which will freeze prices at the prevailing figure or at the high point between January 1, 1942, and September 15.

Mr. DEWEY. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. Yes.

Mr. DEWEY. Yesterday our colleague the gentleman from Virginia [Mr. ROBERTSON] stated that the Bureau of Farm Economics stated that as of August 15 parity includes up to 107 percent. Do I understand that this 12 percent of farm labor would be added on top of that 107 percent if this bill is passed now and the labor amendment put into effect? In other words, would parity be 119 percent?

Mr. AUGUST H. ANDRESEN. No. It all depends upon how the statisticians in the Department of Agriculture, coupled with the Department of Labor, figure out the formula and conclude by giving labor a certain weight in the formula, and I do not know what the experts in the departments would do in that respect.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to proceed for 3 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DEWEY. May I continue my question?

Mr. AUGUST H. ANDRESEN. I wish the gentleman would take a little time of his own and follow me, and then he may give us his ideas.

Mr. DEWEY. I would not want to take the time of my colleague.

Mr. AUGUST H. ANDRESEN. My time is very short. The farmers are being blamed for a good many things, but I think the President has answered the question of the high cost of living and inflation in his message of September 7. He said that wages in this country had increased from \$43,000,000,000 in 1939 to \$75,000,000,000 in 1942, most of which increase has been caused by the Government spending policy in paying excessive wages in industry engaged in defense production. It is true that farm prices have increased from the low point in 1939, and some of them have increased substantially, but when you figure the increase in wages paid to industrial workers, which has now taken nearly the entire national income as the figure existed back in 1939, of \$75,000,000,000, you will find that the share that has gone to the farmer is very, very small. We must not overlook the tremendous increase in farm labor costs. This kind of labor is hard to secure because of

competition with high-wage war production jobs and the drain of farm help to our armed forces. The time may shortly come when farm labor cannot be secured at any price. Then will appear scarcity and rationing, when we could have plenty if proper policies were inaugurated.

The farmers get between 40 and 50 percent of the consumer's dollar; not a great deal. As I was looking over the prices that the farmers out in my district receive—not the figures given by the Department of Agriculture, which are general averages—I find that the prices at home are considerably under the average figures given by the Department. For instance, the farmers are selling poultry around 17 and 18 cents a pound. Eggs from 28 to 30 cents a dozen. That must sound nice to the people in Washington who are paying around 60 cents a dozen for eggs. Oats at 40 cents a bushel; wheat at \$1 a bushel; rye, 59 cents a bushel, and so on along the general range of prices, as I have indicated. The figures given out by the Department of Agriculture are much higher than the actual prices received by the farmer when he markets his products in his regular marketing place. It is only fair that we take into consideration the amount of work contributed by the farmer in his labor and the amount that he must spend for labor.

To stop inflation, which we all fear, definite action must be taken by equitable and complete coverage of all economic groups. This bill does not do so. The President claims that he has the power to stop excessive price increases. If he has, he should exercise his power so that all groups would be treated alike, at the same time, and not in the manner now proposed to single out the farmers without taking care of labor, industry, and war profits at the same time.

In urging the membership of the House to vote for the Brown amendment, I believe that we are meeting the specification set forth by the President in his Labor Day message to Congress, when he said, "Calculations of parity must include all costs of production, including the cost of labor." The Brown amendment complies in every respect with the President's suggestion and should therefore be approved by Congress.

Mr. LEA. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the Brown amendment. I recognize that at this time in the history of our country the fundamental problem is production. Production is more important than ceilings. I think we must recognize that at this time in our country it is the duty of all of us, if the country's need requires it, to give not only our services but our property to this Nation.

I believe, however, that as a practical proposition the way to get production is to give good wages and good prices to those who produce. The profit motive is the great dominating motive that inspires production everywhere, under our system of private ownership. It is the fundamental reason for production. It would be folly in wartime to discard what

is in peacetime the principal motive for production.

The Government, through its great war production program, is a competitor with agriculture in bidding for the labor supply of the country. Without question and without difficulty the cost of industrial labor is included in the cost of everything furnished to the Government to conduct this war. The labor cost is a part of the costs awarded and paid for by the Government to the industrial contractors for all Government supplies. Nobody has even thought of suggesting that the costs on Government-negotiated contracts should not include labor costs. In following out that policy we have taken from the employer the resistance that he has against high wages in the ordinary business affairs of the Nation.

An employer who must pay his employees out of profits resists unreasonable demands for increase of wages. If costs, including wages, exceed his income he is on the way to bankruptcy.

When a Government contractor faces a demand for increased wages he is told not to resist because the Government will make an allowance for the increase. He simply adds the additional cost to his bill which is paid by the taxpayers through the Treasury. When an ordinary employer, like a farmer, has increased labor costs he cannot get his money back from the taxpayers; he must make it out of profit or else he is on the way to bankruptcy. He is forced to bid against employers who are indifferent to increased labor costs because they do not foot the bill. He must get his wage payments back from the profit out of his farm. Profit to the businessman and the farmer is the same as wages to the laboring man. It is the means by which he and his family live.

In addition to paying increased cost of labor in war industries, the Government has established a 40-hour workweek schedule; time and a half for overtime. An hour of work on Saturday is not worth any more to the Government than an hour of work on Friday, but the Government pays the additional expense out of the Treasury. The hour's work on Saturday is of no more value to the farmer than the hour's work on Friday. When the farmer, in competition with the Government schedule, pays time and a half for overtime he must get back that increased cost of labor out of the profit of his crop or else he never gets it back.

The average farmer is as patriotic as anybody, but his living cost and limited capital prohibit him from long continuing production unless he gets back the cost of production.

Is anyone within the sound of my voice foolish enough to say that the labor cost to the farmer is not part of his cost of production? Is anyone unfair enough to say that he should not be rewarded for all his cost of production to furnish the Nation's food supply?

I am a farmer myself to a limited extent. The labor cost of operating our farm amounts to more than 50 percent of the total cost. As it looks to me, it is nonsensical to think you are going to make a success of agricultural production for

the war if you are not going to give the farmer his production costs, including labor. You do not provide for his compensation if you do not take care of this basic element of his cost. Farmers must meet this competition of the Government, they must meet the competition of the pay-roll.

Is there anything so sacred about a parity that we must preserve it even though it restricts production and threatens failure of our war effort? A parity system in the face of war conditions that stands in the way of just compensation for production is a hindrance instead of a help.

In many sections of our country today the farmers' crops of great value needed to provide for this war are decaying and wasting for the lack of agricultural labor. The farmers' employees have been drained away by the draft and Government-inspired competition. Shall we tie the farmers' hands by restricting his pay roll to the point where he cannot compete with the Government's labor competition?

I have observed with regret and resentment the extent to which the publicity sources of the Nation have been prostituted to misrepresentation as to the extent of the farmers' responsibility for the high cost of living. Nation-wide publicity has been given to the suggestion that food prices are mainly responsible for an alleged increased cost of living amounting to \$900,000,000 a month. The farmer is branded as a special cause of this increased cost of living. Nothing is further from the truth. At best the farmer only received a mere fraction of the price paid for his production when it reaches the consumer.

The total production of all the farmers of the Nation for this year will not exceed \$14,000,000,000. His production converted into food constitutes only a part of his production. Many of the food articles he is producing are today selling below 100 percent of parity.

What influences are at work in the country when so many editorial writers disseminate demagogic editorials and misinformation as to the responsibility of the farmer for inflation.

The farm population of the United States is one-fourth of the total of the country. Their income is only one-eighth of the total income. Today we are suffering from inflation and we are confronted with the possibility not only of inflation which is already here, but the greater evil of deflation to come.

An even greater evil than inflation is the uneven plane of prices among the different productive elements of the country. An uneven plane of prices is a system which gives special privileges to its beneficiaries and burdens to its victims. The greatest suffering that the farmer has undergone in the last 10 years has been from the fact that he has been at the bottom of the plane of prices.

Information furnished us by the farm agencies indicate that industrial wages are now 38 percent above the peak of the World War levels. Farm prices are 37 percent below. It would be a cruelly op-

pressive situation if prices should be frozen at such unequal levels.

Mr. HILL of Washington. Mr. Chairman, I move to strike out the last 4 words and I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HILL of Washington. Mr. Chairman, for weeks and months the Congress of the United States has been held up to ridicule by commentators and by the press. They have, in some measure, put it across to the people back home, but I think they have gone too far.

You remember hearing about Mr. Albi, the man who started the "Bundles for Congress" campaign. Well, he tried to run for Congress to fill the shoes of that efficient and good Congressman, Judge LEAVY, but he was defeated ignominiously in that district by the people who knew him.

Then they brought up the X cards; all the newspapers in the country mentioned the fact that some of the Congressmen had X cards, but they never mentioned the fact that hundreds and thousands of bureaucrats in the city of Washington had X cards; that was not news.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. HILL of Washington. I yield.

Mr. PACE. Many of those who held cards did not mention the fact they held them.

Mr. HILL of Washington. That is true, too.

They have now turned their wrath against the farmers. I picked up the Daily News of yesterday, September 22. Here is a cartoon in the newspaper. I want to call your attention to it; look it up. They have put words in the mouth of the young man talking to Congress up here in the upper part of the cartoon. In the lower part they depict the farmer at the pig trough. Now listen! Listen! And I want the people of the United States to listen. It reads:

Uh-uh—Pop's down there with the pigs—you can't miss him. He's the one with the hat on.

In other words, Talburt here of the Daily News classes the farmer with the hogs. I was born and reared on a farm. I have a farm now and am proud of having come from the farm. I would far rather be a man who came from the farm than to be a penpusher at a mahogany desk or a bureaucrat sitting in a swivel chair.

Whom the gods would destroy they first make mad. These daily newspapers here in the city of Washington are urging you and me to give votes to Washington so that they, the penpushers, the kept press, and the bureaucrats here in Washington may not only run the city of Washington, but the United States itself. I am telling you, Mr. Chairman, that you and I as Members of Congress had better reassert our independence and take back unto ourselves the authority and the power that belongs to us. I am supporting the Brown amendment, and I am going to

give you some reasons why. Yesterday I mentioned them; I am going to state them again today.

Early in the summer I tried to get some priorities for the building of wheat elevators in eastern Washington. I had to go downtown two or three times in order to get those priorities, and by the time they were granted it was almost too late to store the harvested crop. While these bureaucrats were sitting around in their swivel chairs dilly-dallying about what they should do the sun and the rain were ripening the wheat in eastern Washington. They had to harvest it the first week in July while these men, who utterly fail to understand the farmers' problems, were wondering whether they should grant priorities for nails, lumber, and other things to build the storage facilities. The administration was urging the farmers to produce, produce, and produce, but then the W. P. B. would not give them the means to take care of what they did produce.

I was back in the State of Washington in the latter part of July and first of August. I had friends come to me in Yakima saying: "We cannot harvest our tomatoes; we are not getting enough for them—\$17.50 a ton." Seventeen dollars and fifty cents a ton! "We are paying 60 cents an hour for labor and are required to haul the laborers to the work and back again." One farmer said he had to drive his truck 50 miles every day to get the laborers to the fields and give them 60 cents an hour. Then they had to give them one meal. That is all right; I am not blaming them for that, but I say that this price of labor should be added to the cost of production. I wired back here to the bureaucrats trying to get some relief but could not get any at all; I got no result whatever. A lot of those tomatoes rotted on the ground. Produce! And then let the products rot on the ground, not only this year's products, but next year there will be no crop. Do you suppose the farmers are going to produce next year when they cannot get cost of production this year?

I picked up the daily newspaper for the day following above conversation, the Yakima Morning Herald of August 16, and saw tomatoes on the local market quoted at 8½ cents a pound. Multiply this by the 2,000 pounds there are in a ton, and that makes \$170 a ton that the consumer had to pay for the tomatoes the farmer had to sell at \$17.50 a ton. Yet people are blaming the farmer for getting too much for his produce. The fact is that the producer does not receive the cost of production and the consumer at the other end cannot afford to purchase those products.

I was in the little city of Kennewick, and a farmer friend came to me and said, "I am not getting enough for my dried onions; I am getting only \$15 a ton." Fifteen dollars a ton. And you know that at that price they pull out a great many. I corroborated that price by going to the warehouse myself. I asked the Pacific Fruit & Produce Co. what they were paying for onions that day. They said \$15 a ton. Only three blocks away, I went into a store and bought 2 pounds of dried onions—here is one of

them—and I paid 10 cents for the 2 pounds, or 5 cents a pound. With 2,000 pounds to a ton, that is \$100 a ton for onions that were raised and sold one-quarter of a mile away by the farmer at \$15 a ton. And you tell me the farmer is profiteering. You tell me that the farmer is trying to bring about inflation.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HILL of Washington. I yield.

Mr. CRAWFORD. I want to make sure where this cartoon was published, the cartoon the gentleman showed us.

Mr. HILL of Washington. In the Washington Daily News for yesterday, and Mr. Talburt, the wonderful cartoonist, is the creator of it.

Mr. CRAWFORD. And it depicts the farmer—

Mr. HILL of Washington. As one of the hogs.

Mr. CRAWFORD. As being so selfish as to get down with the swine and eat with them?

Mr. HILL of Washington. I will read it again, and the gentleman can judge for himself:

Uh-uh. Pop's down there with the pigs—you can't miss him. He's the one with the hat on.

Mr. CRAWFORD. Personally, I think it is one of the most disgraceful things that has ever been published in the history of this country against the religious, hard-working, devoted farm people of the United States.

Mr. HILL of Washington. No one but a penpusher or a cartoonist would be capable of a thing like that; but they have been doing it in the past, and they are going to do it in the future unless you and I get up on our feet and vote for the Brown amendment and tell everybody that we are going to support what is right and fair.

We are not going to be compelled to do that by the farm bloc any more than we should be compelled by other forces to vote against it. We should vote for it because it is right, just, and fair. That is the only reason we should vote for it.

Mr. VINCENT of Kentucky. Will the gentleman yield?

Mr. HILL of Washington. I yield to the gentleman from Kentucky.

Mr. VINCENT of Kentucky. I want to congratulate the gentleman for bringing these facts to us and may I state to the gentleman what they have done to the tobacco growers in my State. The American Tobacco Co. made more than \$28,000,000 last year which was more than the tobacco growers got for the crop. The president, George Hill, received over \$400,000 as president of the American Tobacco Co.

Mr. HILL of Washington. That is always the story. Let me urge all my colleagues to stand on their own feet and express themselves not only on the floor of the House but by their votes.

[Here the gavel fell.]

Mr. DONDERO. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made on the floor today.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. DONDERO.]

There was no objection.

Miss SUMNER of Illinois. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it has been said that the parity formula was all right in peacetime and that it should be good enough for war. If we analyze the way the formula is calculated, we shall see that it is not appropriate in wartime. The parity formula is made up by adding together a lot of items which make up the cost of living to the farmer, but it does not include farm labor. If you will read these 174 items which the Department of Agriculture uses to make up this so-called budget for the farmer, and which makes up the difference in the cost of living, you will see that many of these items are plainly out of date. The farmer cannot get many of the articles mentioned. He has to use labor and he is concerned with the cost of that labor rather than the items mentioned here and the cost thereof.

Among the items mentioned in this list which he cannot get are bananas, rubber boots, tires, washing machines, farm machinery, including binders and corn shellers, gas engines, ensilage cutters, and so forth. Many farmers are not able to get those machines today because of quotas and shortages. Then there are automobiles. It was stated in our committee that the agriculture of the country would collapse if they could not get automobile and truck transportation. Someone replied that the farmers ought to be able to carry their products to market on their backs. I felt forced to retort, "How would you like to go to market with a load of hay on your back, sir?"

This list includes tractors, it includes nails, roofing, and many other things which have nothing to do with the cost of production. I say to this Congress, and I know those who know oats from soybeans will agree with me, that the parity formula is out of date in wartime. It must yield today to some cost-of-production formula which includes labor. We must pay whatever is necessary to secure adequate production of such commodities as are necessary to the war effort, whatever that price may be.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I appear in support of the Brown amendment, not to do some favor to the farmer, but to keep the necessary productive energy of the country, its interdependent units, in proper adjustment. I express the city man's interest in what happens to the farmer's prices, his ability to keep in production. All over this country they are going out of production. I represent the city of Dallas. We are concerned as to what happens to the farmer from two angles. One, the farmer has got to have money to buy what is sold by the people in the city of Dallas. The so-called panic in the late twenties was not a panic, it was a paralysis of the economic circulatory system, beginning with the paralysis of the buying power of the farmers. That paralysis resulted from the spread be-

tween the price we gave to the farmer for the stuff we bought from him and the prices we were charging him. We did not give him enough net profit to move our stuff from us to him. The result was that our warehouses became filled, our manufacturers had to stop manufacturing. I realize the situation is different now because of war production but still it is desirable that this spread be not permitted to develop. It is still valuable to recall that that paralysis extended first from the farmer to the little storekeeper above him and went on up and up until it reached great cities like New York.

If it be a part of the philosophy of this bill, offered as an anti-inflation bill, to hold down the farmer's prices so that he cannot buy, and thereby reduce competition for other commodities it is bound to react against the general interest. If the farmer is not permitted to have his increased labor cost considered so that he can hire the necessary labor at the increased wage, he cannot produce what we, our soldiers, and our Allies must have for the physical strength to win this war.

We people in town have a mighty vital interest in what happens to the farmer's ability to produce what we have to have. We know what is happening to farm labor, to farm production, to the ability even to harvest the present crop. That is just a plain, practical proposition.

We know what has happened to wages in industry against which the farmer must compete and we know who is getting the labor in that competition. Is labor moving from the factories to the farms? Without questioning either its necessity or wisdom, will anybody contend that governmental policy has not contributed to this movement?

To the degree that we permit existing conditions to dismantle farms of this country as is now taking place, we not only create a public peril of the first magnitude, we will not only have to pay a price which if now paid would keep a going farm in operation, but we will have to pay the farmers enough additional profit to induce them to start over again. Take dairying for instance, which has already been mentioned. This is not theory. I am talking about facts. All over this country now the farmers by reason of the fact that they cannot pay the prices to get labor to operate their dairies are selling their dairy herds to be slaughtered. I am stating the fact. Is that of no concern to us? Will we play along with this situation while the inevitable results of our policy develops, then get all "het-up" and use a lot of money trying to repair the damage which common sense ought to have prevented? Do we not know that we have got to have milk from those dairy herds? Do we not know that we have to pay the farmer enough to enable him to hire the people to help milk those cows and compensate for the labor of himself and family if we people in town get any milk? Do we not know that the farmers would not be scrapping their dairy herds if they were making any money out of

them? I am using the dairy business merely as an example.

I am talking horse sense now. When I was home recently I inquired about a dairyman friend of mine—we will call him Peck—one of the best dairymen we ever had in that part of the country. I asked, "Where is Peck?" I was told that Peck had sold his herd and had gone out of business. He was a trained dairyman. He has been doing nothing else ever since I have known him. Why did he do that? Do you think he did it because he was making money? Did he do it because he was wanting to profiteer on us? He did it because he was not getting enough money for his milk to pay the increased price of his hired hands and endure the annoyance. I was in one of our great Army camps on this same trip. One of the things most necessary in the physical preparedness of our men for combat service is milk. I was told by the officer in charge that the former allowance of milk for each man was being cut down because of the inadequate supply. Yet this dairyman I mentioned was within that milkshed.

I was being shown through one of the training schools for airplane mechanics recently. There was pointed out to me a young boy who had recently come in from the country. He had been in training for a relatively short time. He was going to get \$1.15 an hour soon. He came from the country where a long day's work would not have paid him as much as 2 hours, whether he was hired or on his own. I have only one county in my district. The strictly farming population is relatively negligible, but my city people have to eat the things which come from the soil and they will not come from the soil unless these farmers can be kept on the job. They have to fight floods and droughts, storms, and insects and at last the hazards of prices.

When I was home this summer I saw field after field of onions where the onions were laying on top of the ground. They had been planted and cultivated and brought to the harvest at great expense. I saw them advertised at 15 cents per bushel along the road. From many fields people were privileged to take them for nothing.

[Here the gavel fell.]

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. SUMNERS]?

There was no objection.

Mr. SUMNERS of Texas. Mr. Chairman, in my county I do not believe one single stalk of small grain was harvested this year. On a farm I am familiar with, the first planting of oats last fall the freeze got. That farmer did not quit. He planted again; the next planting the green bugs destroyed. In three days a beautiful field of green grain would not have a vestige of green left. The farmer tried again. That crop was destroyed by flood waters. The corn crop is cut short by dry weather. I was home recently and the leaf worms have eaten off the leaves of the cotton.

I know we fellows in town think we are getting off something smart when we say the farmers are always grouching about something. The farmer has as much courage and self-reliance as any group I know of. We town people had better realize, and those of us in governmental responsibility should recognize that during the times when the prices were received which constitute the bases of the parity calculations, agriculture was at great price disadvantage. It was losing during all that time in the competitive bid for labor and population, because its earnings were less.

Let me make a further statement: You do not have to go into detailed figures to know this. If you want to know who is making the most money in any country you do not have to listen to a lot of figures and read a lot of charts; just note the direction in which the mass of population is moving. Individuals are influenced by all sorts of considerations, but the mass of population moves under the operation of irresistible economic law toward the center of the best economic opportunity. That law is as irresistible as the law of gravity. That movement has been away from the farms and everybody knows it.

Where are the new houses being built in America? Who is putting up the big houses, and where are they being put up? Where is the population increasing? In the country? Everybody knows it is not. Where are the people going to to make money now? Where do they find the best wages? Everybody knows that we in the towns are tapping every population reserve in the country. That thing has been going on until it has become a public danger. We deserve to get hungry if we are not willing for the people who provide the food for us to get enough profit to keep agricultural production going enough to provide a decent wage, a decent salary, a decent income. This situation which confronts us is not as though it had been a normal development. We have been mixing things up pretty much, by what we have been doing, using some skill it is true, some main strength it is true, and possibly some awkwardness. We have got to reverse this tide of labor movement somewhat, at least slow it up. The farmers have got to pay new wages. These new wages must be considered in any plan of price parity, so long as the effect of the whole policy of the Federal Government is to maintain the competing prices in industry which the Government policy so largely brought about. I am not criticizing. I am just stating a fact which it would be folly to ignore. In the working out of the law of retribution if we continue this policy that time must come, we cannot know when, when we of the cities will ask where the food is, and nobody can tell us.

This thing that is happening in America is a tragedy. If we would but open our eyes we would see it. This building of great cities at the expense of the country population is not a matter merely of agricultural concern.

In the great crises of the past, when civilizations and governments have met

the supreme tests, it has been largely the conservative strength of the country that has saved its people, if they have been saved. Viewed from the standpoint of the public interest, so long as we are dealing more or less arbitrarily with prices and profits, we can afford to make a mistake even of overdoing a little bit for the people of the fields, but we cannot afford to take any chance in having this thing continue—prices inadequate—in these fields now ready for the harvest. Farmers are unwilling to risk the wage increase necessary to produce and to harvest unless they be permitted to have these higher wages figured into the prices which they are to receive. Without regard to other provisions of the bill, this allowance seems to me to be a sound and necessary arrangement not merely from the standpoint of the farmer but from the standpoint of labor and of all the other industries, each constituting with agriculture an interdependent unit of our economic entity. It is also sound from the standpoint of this Nation which must keep enough of its productive energy at work in our fields to provide the physical strength to win this war.

Mr. FULMER. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I am very glad that the distinguished gentleman from Georgia, my colleague and good friend, PAUL BROWN, member of the Banking and Currency Committee, the committee that is handling the bill, has decided to offer the pending amendment. It is identical with the amendment I proposed to offer.

My colleague referred to the statement made by the President that labor should be included in the cost of production. It has been very clearly brought out here, that unless you carry out the President's views farmers will not get a square deal in price fixing. I challenge any man on the floor of this House to stand up and tell me of any business concern or corporation that does not take labor into consideration in connection with the total expenses of their business.

Under this amendment, as stated by my colleague, the increase will be very small. It may be that the cotton farmers of this country will get 1 or 2 additional cents per pound for their cotton. What would that mean in connection with the purchases of wage earners or any other consumers in the way of added cost? The shirt I have on contains about 1 pound of cotton. If you add 1 or 2 cents to that pound of cotton contained therein it will not mean any additional cost that consumers could not afford to pay.

The papers, the commentators, and certain groups continue to put out propaganda that the farm group and the farm prices are responsible for inflation. The farm group constitutes about 25 percent of the total population of the country. They receive less than 10 percent of the total national income, which amounts to about \$10,000,000,000 out of a ninety billion income. Does anyone here believe that that small minority, with that small amount of income out of the national income, is responsible for inflation, when the nonfarm group will receive this year approximately \$76,000,000,000?

This morning we had Mr. Wickard before our committee, and I tried to get information as to the percentage of the income of labor that goes into food. The best that I could get was the wage earners of this country spend for food perhaps 30 percent of the total amount they receive, and all the balance goes into various and sundry other purchases.

One of the reasons I hope to see this amendment adopted is that we may do something to settle this problem before we get into something that nobody wants to get into.

Already those in authority have arranged with the Mexicans to come over to do farm work, under an agreement that they shall be paid 30 cents an hour, with limited hours, transportation, and furnished good housing facilities, all this to be furnished by the farmer. Today in Texas the cotton pickers are striking because they believe they ought to have at least \$2 a hundred for picking cotton if we are going to pay Mexican labor 30 cents an hour, which is much more than common labor is receiving in the South.

There is something in the atmosphere that we are going to take people from the city and train them for farm work. That will call for large appropriations and many employees to train these people and try to educate them in doing farm work on the farm. What a ridiculous proposition. If we would do the fair and the necessary thing, that is, give the farmers a price whereby they may be able to pay farm labor, many of whom are working on a starvation basis, a fair price it would tend to settle this problem.

Mr. Wickard made the statement the other day that the hired man has become so important that if, based on patriotism, we cannot keep him on the farm, then we are going to have to do something about it.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, is there going to be an opportunity for some more of us who are here or are we going to adjourn after awhile?

The CHAIRMAN. The present occupant of the chair cannot give the gentleman any answer to that question.

Is there objection to the request of the gentleman from South Carolina to proceed for 5 additional minutes?

There was no objection.

Mr. FULMER. I want to say to Mr. Wickard—and I want to say to you as a farmer—that the wage earners and the farmers of this country are just as patriotic as any other class of people, but you are not going to keep farmers, their sons and daughters or the wage earners, on the farms on a starvation-wage basis when handsome wages can be had in every nook and corner of the country. If they leave the farm under these circumstances, like Mr. Wickard did when he became Secretary of Agriculture, they are just as patriotic as any other group. Now, in 1909–14—I want you to get this—this wonderful period, 30 percent of the farms were mortgaged. At this time,

when everybody claims the farmers are so prosperous, and the President is asking them to use their surplus money to liquidate their farm debt, 43 percent of the farms are mortgaged. According to Dr. Black, delinquent payments at this time on Commissioner and land-bank mortgage loans amount to over 15 percent.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. FULMER. Let me give you this additional picture, and then I shall yield.

Back in the really good old days, 65 percent of the farms were owned by farmers, while at this time the picture is the other way around, 65 percent of our farmers are tenants or near-tenants.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield.

Mr. HOFFMAN. Is the gentleman sure about those figures about the increase in the number of mortgaged farms and the increase in farm tenancy?

Mr. FULMER. That is right.

Mr. HOFFMAN. In spite of all the New Deal farm-aid policy?

Mr. FULMER. And yet it is claimed that the farmers are prosperous and that they are responsible for the tendency toward inflation. What a joke!

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield to the gentleman.

Mr. TARVER. In view of the fact that the House is to vote first on the Wolcott amendment, I would like to know the opinion of the gentleman, as chairman of the Committee on Agriculture, with reference to whether or not that amendment in his judgment is designed to accomplish anything toward the objective of the Brown amendment.

Mr. FULMER. I do not agree with the gentleman from Michigan [Mr. Wolcott] that his amendment would be worth while.

Mr. TARVER. In view of the fact that the President has indicated he is opposed to calculating the cost of farm labor in determining parity for farm products, what advantage would there be in simply giving him discretion to do that?

Mr. FULMER. I agree with the distinguished gentleman from Georgia that it would not serve any good purpose so far as the farmer is concerned.

Let me say in closing that I do not believe there is anyone here in this House who is more interested in the wage earners of this country than I am. I have been one of them, and I call your attention to the fact that back in the old days the wage earners in the industries of this country not only worked on a starvation basis, but they were absolutely under the control of those who employed them—even at voting time they had to go down the line like sheep going to the pasture. What I am interested in is wiping out the starvation wages on the farm, which can be done by paying farmers fair prices for their products.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield to the gentleman.

Mr. AUGUST H. ANDRESEN. The gentleman then would recommend that the Committee vote down the substitute offered by the gentleman from Michigan [Mr. Wolcott] in order that we may have an opportunity to vote on the Brown amendment?

Mr. FULMER. Absolutely; I hope that the Wolcott amendment will be voted down and that the Brown amendment will be adopted.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I propose to take only two minutes at the outside to clarify what I think is the issue here. The amendment offered by the gentleman from Georgia (Mr. Brown) contains language to the effect that in the computation of parity prices and comparable prices, they shall include all farm labor. By his own admission here on the floor it would include family labor and would provide a level of about 112 percent of parity.

That was the original amendment that had been offered. A substitute amendment has been offered by the gentleman from Michigan (Mr. Wolcott) which in substance says that there can be a modification in the price level contained in this bill "if the President finds"—and that is the language—two things, first that it is necessary to modify that price level to increase production or, secondly, if it can be satisfactorily shown that on account of increased labor costs, or other costs, those price levels must be modified to avoid any gross inequity. That is the Wolcott substitute, and it places it within the discretion of the President whether or not he shall make that finding. I am opposed to the Wolcott substitute, and I am opposed to the Brown amendment. Everybody is familiar with the President's speech and his message to Congress.

How are you going to go to the country today with a proposal of 112 percent of parity, when the Price Control Act itself has a limit of 110 percent? We will be damned up and down from the Gulf to the Dominion and from coast to coast, and obviously the Congress cannot put itself in what I regard as a ridiculous position. To clarify it further, I propose to vote against the Wolcott substitute, and then vote for a substitute for the Brown amendment, which I shall offer, which would include only hired agricultural labor and which would increase the parity level by approximately 4 percent plus. That may be acceptable to the White House; I do not know; but I do know that we put ourselves in a very difficult position by accepting the Brown amendment for 112 percent of parity, when existing law which is presently under fire provides ceilings at 110 percent. We do not get too much in the Wolcott amendment unless the President finds that there is an increased labor cost that is satisfactorily shown or that it is necessary in the interest of increased production to up these price levels. It reposes in the President the discretion to make that finding. That is the issue before the House at the present time.

Mr. TARVER. Mr. Chairman, before the gentleman quits, will he yield?

Mr. DIRKSEN. Yes; I yield.

Mr. TARVER. I am sure the gentleman does not mean to indicate by his statement with reference to our being damned up and down the country if we do so-and-so, that he thinks that his vote or the vote of any other Member of this House ought to be controlled by the question of his own political welfare and whether or not it is going to meet with the approval of public opinion.

Mr. DIRKSEN. No; I did not intend it in that sense at all, but the country is pretty familiar with the message to Congress and the message to the country, and of course the people are price conscious at this time. I am thinking of victory, of the general welfare, and of securing a measure that will be fair and provoke a minimum of dislocation. The Congress must approach this with some degree of patience and restraint for the reason that the only way that we can bring Congress into the confidence of the country and probably meet what I thought was a petulant note in the message of the President, is to take a moderate level that would be satisfactory to the farmers, fair to the consumers, and at the same time meet the problem of farm labor. That is the only thing that I intended to indicate to the House.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. CASE of South Dakota. Does the gentleman's amendment in any way contain a clause about the highest price at a certain date?

Mr. DIRKSEN. No; it only provides that in the computation of parity under existing law by the Bureau of Agricultural Economics, hired agricultural labor shall be included, and that they shall calculate the difference between now and the base period in 1909-14.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BECKWORTH. Mr. Chairman, I certainly favor, in computing parity prices for cotton, corn, sweetpotatoes, tomatoes, peanuts, ribbon cane, blackberries, strawberries, peaches, watermelons, poultry, livestock, and all agricultural products, including the cost of farm labor. In January of this year, 1942, after having been in my district visiting my neighbors, many of whom are farmers, and traveling throughout the district I have the honor to represent, I personally conferred with our Secretary of Agriculture, Hon. Claude Wickard, and other authorities of the Department of Agriculture about the farm labor shortage, which was even then existent and very apparent. I also submitted my observations to General Hershey, the Director of our Selective Service System. In the last 9 months, as the shortage of farm labor has become more and more pronounced, I have continued to notify the proper authorities of our Government, and I have urged that action be taken to assist our farmers to procure farm labor.

The important fact that must be borne in mind is that our farmers cannot compete in the labor market; in order to compete, the farmer must receive more for the commodities he sells. This amendment provides the cost of farm and processing labor—which is much higher than

it was this time last year—shall be included in computing parity prices on agricultural products.

Mr. HOFFMAN. Mr. Chairman, I rise in opposition to the pro forma amendment, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? There was no objection.

Mr. HOFFMAN. Mr. Chairman, the argument back of the substitute of my colleague the gentleman from Michigan [Mr. Wolcott] seems to be this: Admittedly the farmer is not getting enough; he is practically starving to death; but instead of giving him what he is entitled to receive for his produce, we will compromise on 4.6 percent, and let him wiggle along, if he can, and keep a little meat on his old bones so that he can do something—feeding the Army, our allies, the civilians, and a little for himself.

The argument back of the proposed Dirksen amendment is a little different. He admits that the farmer is not getting what he ought to have—what is justly due him—and so he says let us give his hired help something, but let us stop there; why give the poor old farmer or his wife or any of his kids anything? That is the argument back of that.

My friend the gentleman from Washington, Judge HILL, should not be too greatly disturbed about that cartoon depicting the farmer as a hog, because if the farmer has in his make-up one-tenth of one one-hundredth percent of what that cartoon pictures him as having, that cartoonist and those of us who depend on the farmer for our livelihood would have starved to death. Sometimes I think the farmers would do well if they would quit for 24 hours—go on strike—and let some of these fellows in the cities, who levy tribute upon every truckload of product that goes into the city, go out and dig in the ground for something to eat—not every day but just 1 day.

Let me tell you another one, which shows the futility of depending upon the New Dealers for efficient administration of any law we pass. Back home, week before last, speaking in Berrien Springs, a farmer in the crowd said, "Now, why don't you fix this?" I said, "What is the matter?" He said, "We have been hauling our tomatoes down to the plant where the Government inspector is on the job. We got in there last night and we had many truckloads of tomatoes. The Government fellow who passes them in said, 'Boys, it is 6 o'clock. Take them back home and bring them back tomorrow.'"

You know what happens to tomatoes. They are no good the next morning. If by this bill we fail to provide a fixed formula we will find our efforts defeated by the crazy ideas of the dreamers—the incompetency and confusion which have made a mess of administration up to the present time.

As we all know, this bill will not stop inflation. We all know that the people are thoroughly disgusted with Congress. Why? Because we do not have the courage to go ahead and write a price-fixing bill ourselves. It may be smart politics, fellow Republicans—it may be smart politics to pass this back to the President. He will not act effectively to end infla-

tion. So the blame will rest upon him and his administration. Perhaps so, but that is not an answer to the people who are asking us to represent them, to legislate and prevent the threatened disaster.

INFLATION IS DUE TO THE ADMINISTRATION'S POLICY

The situation confronting us today is not an unusual one except that with reference to this proposed legislation, we have been told that we must adopt it before October 1 or the President will legislate for us. A declaration of that kind might be expected from a dictator. It is amazing that it should come from a President who has sworn to uphold constitutional government.

Our Constitution gives no power to the President, as President, or to the President as Commander in Chief of the armed force of the Union to legislate either in peacetime or in wartime.

Nor does it give him power to coerce the Congress into adopting legislation. The President as Commander in Chief can appoint the officers of the armed forces and he can direct the movements of those forces but the Constitution gives him no authority to issue decrees or orders concerning nonmilitary matters or to regulate the lives or the actions of the civilian population.

The Constitution expressly provides that—

The Congress shall have power to declare war, to raise and support armies, to provide and maintain a navy, to make rules for the government and regulations of the land and naval forces.

It is apparent that the Congress, acting as a Congress, cannot carry on a war. There must be centralized authority. Congress, therefore, delegates to the President the authority, as it did in its declaration of war against Japan, Germany, and Italy to "employ the entire naval and military forces of the United States," but no power has been given by the Congress to the President to legislate or to, by order, directive, or regulation, control the nonmilitary activities of the civilian population.

The President boldly announced that unless Congress acted by October 1 to prevent inflation, which he said would bring disaster to the Nation, he would act and he said he had the power to act. The natural inquiry arises—if inflation will bring disaster unless action is taken by October 1, and if the President has the power to act to prevent that disaster, why is it that, recognizing the danger, he has failed to act?

Months ago this Congress gave the President the legislation which he demanded and which he said was necessary to, and would prevent inflation. It is evident from his statement of September 7 that he was mistaken as to the remedy needed. He was the doctor. The Congress took his prescription. Now he tells us that the remedy prescribed by him was the wrong remedy and he insists upon another remedy. He insists that Congress operate, that it operate prior to October 1.

Knowing that the Nation is ill; that it is dangerously ill; knowing that the dis-

ease—inflation—may destroy us; having the power according to his own statement to cure that disease, prevent that disaster, the President, for purposes of his own, instead of acting, turns on Congress and follows a course which tends to make the people believe that this disaster which threatens to engulf us is here because the Congress has failed to act. That is not true.

For the past 8 years the President has had control of the Congress. He has exercised that control to such an extent that the Congress has become known as the "rubber stamp" Congress. Submitting to presidential demands; forgetting its responsibilities to the people; ignoring the fact that it is one of the three coordinating branches of the Government, the Congress has done the bidding of its master, which has brought it into disrepute with the people; he now turns on the Congress, charges that it is responsible for the threatened danger brought about by his own inaction, and demands that it turn over to him its legislative authority. He brazenly tells it that if it does not do so, he will take it anyway.

Republicans, if they merit criticism, do so because they have not challenged the President's excursion into legislative fields. If they have failed, they have failed because they have not boldly, without fear, courageously told the people what the President was doing and the result of his actions.

Time and again in days gone by appropriation bills for fabulous sums were submitted to the Congress for the aid of the unfortunate—to create employment. In each instance when a Republican minority sought to amend those bills so as to prevent waste and worse, they were told that the legislation was humanitarian in its scope and that if they opposed it they were depriving the needy of the means of livelihood.

Bill after bill has been forced through Congress by the majority party at the demand of the President. Time and again the President was given a blank check for funds and for authority. On almost every occasion the minority were told that if they did not go along the poor, the needy, the unfortunate would suffer.

When war became imminent, a like course of intimidation was followed. Those who believed we should first prepare this Nation to meet any enemy or combination of enemies who might come were told that if they did not vote for everything proposed by the President, they were disloyal, unpatriotic.

Since the New Deal came to power the minority has been helpless, because it was outnumbered, to do the obvious thing which would cure our domestic troubles, prepare us to meet the present situation. Today the same situation exists. We of the minority can only protest, offer constructive measures when things go wrong; we cannot force them through for we are hopelessly outnumbered. The President has stated, and all with common sense know that if the threatened disaster which can only be prevented by anti-inflation legislation is to be avoided, there must be a stabilization of prices, a stabilization of not only prices of farm

products but a stabilization of wages. Yet for months, realizing that fact the President of the United States has followed a policy of yielding to the demands of labor organizations, of increasing wages; of giving premium pay for so-called overtime—as if there could be overtime in wartime—when the life of the Nation is at stake.

Now the President turns on the farmers—on the farm block and charges them and it with attempting to obtain for the farmer an unjust, unfair advantage. That charge is not true. The President ignores the fact that the so-called farm parity price is based upon the years 1909-14. He ignores the fact that if the same years were used to fix a so-called parity wage, he would find that the present wage of the industrial worker is two or three hundred percent as compared with the farm parity figure of 110 percent.

We all know that the Government, by the awarding of war contracts and the fixing of wages on war contracts has brought about a situation where industrial workers receive all the way from \$1 an hour for common labor to \$2 an hour and more for skilled labor. We know too that labor on the farm receives anywhere from 25 to 40 cents an hour; that all too often the farmer who owns the farm, his stock and his tools receives a return of no more than 25 cents, yes; sometimes less per hour for the labor of himself and the members of his family who assist him. On top of that situation we are now advised that there will come an Executive order preventing farm laborers from going to the industrial plants where high wages prevail.

Is the President creating a situation where a special class or group, members of unions, for this administration has brought about the closed shop and the check-off, are the only ones who are to receive high wages? Has this Administration not created a situation which threatens to hold upon the farms and in the cities all those who have not been taken for the war—compel, force them to work for a fraction of what the industrial worker receives?

The President tells Congress that it is now to pass legislation limiting the price of farm products and leave it to him to control wages. Playing politics with organized labor leaders, as he has been doing, as he is doing, some of us know that this bill as presented, that the legislation demanded, will place in his hands the power to grant special privileges to those pressure groups.

If the past is any guide to the future, it is evident that the power now demanded will be used, not to end inflation but to favor organized labor at the expense of the farmer, the businessman, Government employees and all those who live on so-called fixed incomes. Members of some unions have continued from the beginning of the war, down to today, to call strikes and to threaten strikes. Jurisdictional strikes still continue.

The A. P. tells us that at Flint, Mich., on September 21, approximately 300 members of the United Automobile Workers, A. F. of L., walked off their jobs at a war production plant because the Corpora-

tion, obeying an order of the N. L. R. B., attempted to reinstate a woman employee who belonged to the U. A. W.-C. I. O.

Earlier in the week American Federation of Labor cooks in hotels and restaurants in Detroit threatened to strike if the proprietors bought milk from organizations where the employees were members of the Congress of Industrial Organizations.

Somewhat earlier C. I. O. industrial workers employed in a plant in Michigan producing materials for the armed forces went on strike because the A. F. of L. was organizing grocery clerks.

These illustrations are cited to show that this administration is not bending its efforts wholeheartedly toward the ending of the practices which are interfering with industrial production which are contributing to inflation. These instances are cited to show that this administration will not, even though this legislation be adopted, put a ceiling over wages and salaries nor take into consideration in stabilizing the prices of farm products, the cost of labor on the farm.

Proof of the same policy is found in orders of various administrative boards which during the past months, even after the danger of inflation was apparent, have followed a practice of raising industrial wages, thus not only increasing the cost of materials needed for the carrying on of the war but tending to promote inflation.

Today the administration is fighting the demand that the farm cost of labor be included in the parity price. Why do we have inflation? Listen to this story. It gives you one reason. Yet here in Washington last week a steam-shovel man working on the underpass at Bolling Field was paid for 1 week's work \$178. At the end of the week he quit. He gave no reason. The only apparent reason was that he had money enough and wished to spend it. The contractor had difficulty in getting another man, even though the wage was \$2 per hour; \$3 per hour for overtime and \$4 per hour for work on Sunday or holiday.

Farmers, their wives, the members of their families, the hired man, they all are patriotic, but it does not add to their enthusiasm to know that this administration, while requesting them to serve sometimes from daylight until dark and receive no more than a bare existence wage, is using their tax money to pay industrial workers \$2 an hour.

The draft has stripped the farms of their young men. The factories, because of higher wages, have taken the older men into the industrial centers. There is talk of an army of 13,000,000 men. The old saying that "an army travels on its belly" is still true. Our fighting men must not only have the implements of war, the munitions of war, they must eat, and an army of 13,000,000 men—an army of 4,000,000 men, which we now have in the service, cannot be fed, cannot live, if the farmers are to be denied the means of cultivating their land.

This administration, in its conduct of the war, is following the same policy which it pursued in connection with their domestic affairs. It is building a super-

structure without a firm foundation under it.

The majority party is forcing through this legislation. It will not accomplish the purpose for which it is introduced. The majority party says to the minority: "Vote for it or be branded as hindering the war effort." Just how long the people of this country will be fooled by that kind of propaganda is a question. I, for one, have gone out on a limb time and again, have incurred the vicious, malicious attacks of New Dealers and worse, because I have followed my conscience, my judgment, and voted against New Deal legislation which was harmful.

Unless the amendment requiring the cost of farm labor to be figured into the parity equation is adopted, I will not vote for this bill.

Even then the bill grants too much authority to the Executive, but inasmuch as the administration will not permit any other legislation to go through, inasmuch as there is threat of a veto, we must make the best of a bad situation.

The CHAIRMAN. The gentleman from Texas [Mr. POAGE] is recognized for 5 minutes.

Mr. POAGE. Mr. Chairman, we have discussed the effect of this bill upon the farmer without giving much consideration to the effect this bill will have upon the ability of this Nation to win the war. The ability of this Nation to win the war must depend upon its ability to feed itself and to feed the people all over the world, because the greatest of the European grain-producing nation that is now carrying on the fight against Hitler almost alone has lost most of its food-producing areas. We are going to have to feed 160,000,000 Russians as well as our own people. We are going to have to feed the peoples of the world. You cannot feed the peoples of the world unless you have farmers on the farms.

Just last week when I was in Texas I found that it was very difficult to obtain a tenant for a farm today, because the men who used to work those farms, who a year or 2 years ago sought farms to rent, now find that they can make as much money in one week working in a defense industry as they oftentimes made from a whole year's endeavor on these farms, and without any risk and without any chance of loss and without working their family, whose labor the gentlemen here would not allow to be included in the parity formula.

Why do you expect the farmer to continue backbreaking toil day after day if you are not going to allow him a reasonably fair income; if you are going to deliberately destroy his last chance of making a return for that labor somewhat comparable to that which he can secure in some other industry?

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I am happy to yield to my good friend from the Sixth District.

Mr. LUTHER A. JOHNSON. I want to corroborate what my colleague has said about the difficulty of getting farm labor and also tenants to work farms. I speak from my own experience and those back in my own district where cot-

ton is raised. It is exceedingly difficult to get farm labor or to rent farms because so many young men have gone into the Army and many of those who have not gone into the Army are accepting employment in these high-priced defense industries.

Mr. POAGE. That is exactly right, but there are more of them who have accepted employment in the high-priced defense industries than have gone into the Army. So do not blame the draft for all of our troubles. Blame the price that the Government has set on wages in war work.

All the Brown amendment seeks to do is to make the calculation of parity include the costs of production, including the cost of labor, and those are the words of the President of the United States, directed to the Congress on the seventh day of September this year, when he stated "Calculations of parity must include all costs of production including the cost of labor." All that we are now asking is that you adopt this formula which the President himself presented to us.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. O'CONNOR. Does the gentleman think that "agricultural commodity" is broad enough to include livestock?

Mr. POAGE. Certainly. I think the term "agricultural commodity" includes livestock and it should include it. It should include everything that is raised on the farm, the things that the people must have to eat and wear. To grow those things we must take into consideration the farmer's cost of production, because the farmer has not a penny to spend for the things that industry produces until he has paid the cost of labor in production. Before a man has a thing left from a bale of cotton in Texas today he has to pay \$30 for picking it. That is \$2 per 100. That has to come out first. So do not tell us that he has \$75 or \$80 from each bale of cotton. Thirty dollars first has to come out for the picking. Then the ginning has to come out. Then he has had to pay for what it cost him to make that crop, to plow it, to chop it, and to buy the seed at \$2 a bushel to put into the ground. Until he is able to pay for those things you need not talk about him staying in business and producing a crop next year. You need not talk about him feeding and clothing this Nation next year when he cannot pay his costs this year. All that those of us who are supporting the Brown amendment ask is that you include these necessary labor costs in determining the parity formula. All we ask is that you allow the farmers an income sufficient to enable them to attract a small portion of the available labor of the country and thereby make it possible for them to continue to produce the food and fiber so absolutely necessary to the successful prosecution of our war effort. We all want to prevent unrestrained inflation. To do this the farmer expects to accept and has always cheerfully accepted sacrifice greater than any other class, but it is a physical impossibility for him to continue to produce food or fiber if he is

compelled to try to meet ever-rising labor costs without any commensurate increase in the price of his products. This amendment will have practically no effect on the general price level, but even if it were possible for the small percentage of the consumers' dollar that reaches the farmer to materially increase the cost of bread, clothes, and shoes, the price of which has been shown to consist almost entirely of labor costs, is it not better for the Nation to have adequate supplies of food and fiber at a price than to have a low theoretical ceiling price but no bread, clothes, or shoes to be had? My friends, if you want rationing of every food product, just pass this bill without this amendment.

[Mr. ROBSION of Kentucky addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. ROBSION of Kentucky asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Texas [Mr. DIES] is recognized for 5 minutes.

[Mr. DIES addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

(Mr. HOPE asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. HOPE. Mr. Chairman, I want to discuss a phase of this matter which I have not heard mentioned up to this time. It has been said here that if we adopt the Brown amendment we will increase parity by about 12 percent. That is not a correct statement, if by parity you mean you are going to give the farmer the same purchasing power to-day that he had during the 1909-14 period.

Up until this time labor costs have not been included in determining parity, and there was good reason for that because if they had been included they would have made practically no difference in the computation of parity. This is due to the fact that while other costs of the farmer had risen labor costs as compared with the 1909-14 period had not risen substantially. It is only during the last 18 months that labor costs have risen as compared with the 1909-14 period. Therefore, if today you do not take into consideration the fact that these labor costs have increased during the last 18 months, you are not going to give the farmer the same purchasing power that he had in the 1909-14 period. That is the argument for the Brown amendment, and I think it is an unanswerable argument if you believe that the farmer ought to receive real parity—that is, the same purchasing power that his products had during the 1909-14 period.

During the last 18 months farm wages have practically doubled. They are still going up, and they are going to continue to go up if farmers have to compete with the high wages in industrial plants. Therefore, if we want to give the farmers of this country parity, and the Congress

is on record—everybody is on record—as wanting to give him parity, you cannot do it unless you adopt the Brown amendment or something similar.

Mr. Chairman, in my opinion, within 6 months from this time a lot of things that have been said on this floor yesterday and today are going to sound rather silly. I mean a lot of things that have been said in opposition to the Brown amendment and on the general subject of farm prices and costs, because in 6 months from now if we do not change our course or our policy in the meantime we are going to be rationing a lot of food supplies in this country. It is not going to be a question of the prices of farm products. It is going to be a question of getting adequate supplies. We are also going to find that in this country where we have always thought we had a great surplus of manpower, that we have a shortage of manpower. That shortage is already acute on the farms. Many actual operators of farms have been drafted into the armed services. Some of those farms are going out of production. Other operators have had to discontinue operations because their employees have gone to industrial plants at wages three or four times farm wages. Newspapers in farm areas are filled with advertisements of farm sales. I see no way by which farm production goals for 1943 can be met. We must do everything we can to give the farmer the opportunity to stay on the farm. The Brown amendment will not do a lot along that line, but it will help. Unless we make every effort to enable the farmer to keep his help and to stay on the farm himself so as to produce the food and fiber that we are going to have to have in order to win the war, we will find ourselves in a most serious situation before many months have passed.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Oregon [Mr. PIERCE] is recognized for 5 minutes.

Mr. PIERCE. Mr. Chairman, there was never a more erroneous statement than the assertion that the farmers are to blame for the rising cost of living. It is surprising how it has been put over and how the people along the Atlantic seaboard have been made to believe it. I am astonished that men continue to talk about the high cost of living being caused by this 110 percent of parity.

Mr. Chairman, I am going to support the Brown amendment. I was a Member of Congress when the original act was passed. As a matter of fact, it was about my first service in the Congress and as a member of the Committee on Agriculture. The bill was introduced by our colleague from South Carolina [Mr. FULMER], now chairman of the Committee on Agriculture. He belonged to a group, and so did I, who believed that parity should be a cost-of-production proposition, but when the men came down from the Department of Agriculture they talked us into the idea of adopting this parity formula. We supposed at that time that it would take in all costs, and it was some time after that I learned they were not counting labor costs. I asked the Department why the

men who did the figuring did not take this factor into consideration and they advised me that labor was so low at that time that it would reduce the parity price of the product which they wanted to keep up. At least, that is the excuse they made.

Mr. Chairman, the situation, of course, is entirely different today. They say that those prices will not advance anything like we think they will when they apply these various formulas and indexes. I want to have the Brown amendment agreed to. I shall vote against the Wolcott amendment. I do not believe the President is going to veto this bill. He is a realist and he must know that if the farmers do not get back cost of production they cannot produce.

My objection to the old formula is that it comes out of ancient history, out of an entirely different era—33 years ago, away back in the kerosene lamp days, in the days of horse-drawn vehicles. Today farming is a commercialized business. I have endeavored to explain the situation from the point of view of the practical farmer as well as from the standpoint of a Member of Congress responsible for legislating so that our people and our armed forces may be protected in their food supplies. I ask permission to revise and extend my remarks on this subject.

FARM PRODUCTION VITAL—PARITY A DELUSION

The gravest internal matter before the people of America today is the question of stabilizing agricultural production so that a plentiful supply of foods and fibers will be assured for the duration of the war. Every Representative of agricultural districts receives daily news of the destruction of dairy and beef cattle herds and neglect of flocks and fields because the owners and cultivators have been called to serve in the armed forces or in war industries. The older farmers and their wives and children, having worked to the point of exhaustion are not planning to plant next year. This is a bitter time for the farmers because they have sons in the armed forces and everything is at stake for them. They entered into the production program with high-hearted enthusiasm and thankfulness for an opportunity to do their part. Events beyond their control have shattered those hopes, and now while we bandy the words "parity," "inflation," "cost of production," and "stabilization" an actual food and fiber shortage threatens this rich agricultural Nation. This terrible situation has not been brought about by the farmer nor by his friends and Representatives in the Congress. It is the result of inexperience and neglect. I sometimes think the farmer is blamed because of a vindictive desire on the part of certain economists to find a whipping boy.

The solution of the problem before us is probably appointment of a food administrator who understands the agricultural situation and the national economy. Subsidies should be used only as a last resort. They cannot stay inflation. Experimentation with growing things is fatal. Herds cannot be restored quickly, neither can orchards. Confusion and misunderstanding must give way to coop-

erative effort by city and county. No Government agency should be allowed to create and foster a cleavage between farm people and city people. Our interests are identical.

THE SPIRIT OF INFLATION

We wholeheartedly agree with our President's fear of inflation as expressed in his message to the Congress recently, and in his Labor Day radio talk to the Nation. The President quite clearly pointed out that it would be easier to stop the spiral of inflation before it got into full swing. There is no question but that is true. We of the Congress, and the farmers of America, must lend aid by every means within our power to halt inflation at the earliest possible moment. It would injure us all. It seems unreasonable, however, to hold up the bogey of the scientifically planned inflation of Germany in order to force the Congress to pass laws without careful consideration. Germany, after the first World War deliberately brought on inflation so as to cancel its national debt, and as a means of drawing into the German economy an immense contribution from other countries. Millions of marks were sold, especially in this country, to those who could not believe that Germany would deliberately plan repudiation. No; the conditions in Germany, at that time, are not comparable to those that exist in this country at this time.

PRODUCTION IS ALL-IMPORTANT

The surest and most effective way to curb inflation so far as it is related to rising prices of farm commodities is to produce in large quantities and make the products available to our people. Meet the demand fully and naturally it will follow that prices will be reasonable. Most farm products would be sold below present ceiling prices if there were sufficient quantities with adequate control of costs of processing, distribution, and transportation.

The resentful city housewife thinks of the farm producer as the man who is getting the additional pennies paid for bread, meat, vegetables, or dairy products. If she could find labels on those purchases setting out the amounts paid grower, wholesale and retail handlers, processors, and railroads or other transportation agencies, her sympathy would go out to the farmer.

Foods and fibers are as necessary in this war as are men and munitions. It was Napoleon who said, "An army fights on its stomach." Products from our American farms must feed not only ourselves and our armies in our own country, but they must be sent to American boys in uniform who are in foreign lands. Our Allies look to us for food because their populations are strained to the limit to meet industrial production and military demands.

The important question before this Congress and before the American people is production in quantity, not parity nor even prices only so far as they affect production. We are in great danger of finding ourselves short of some of the essential foods and fibers that we must have. We have a surplus of the basic commodities—wheat, corn, cotton,

rice, tobacco, and peanuts. Should an attempt be made to force beef, mutton, and hogs down to the parity prices as found by the old formula, using the base period of 1909 to 1914, it would result in such shortages as to hazard our whole food economy. Price to either producer or consumer is not now so vital as quantity. There may also be real shortages in the very near future in meats, vegetables, fruits, and dairy products.

RIISING PRICES

The farmers of America are not the cause of the rising food prices. The farmer fixes no prices. When he has foods or fibers to sell, he asks, "What's the price today?" When he has to buy manufactured goods, he asks the same question. American farmers are guiltless in this matter of advanced living costs. The money has not gone to producers and it is totally unfair for O. P. A. to seek to give that impression by its frequently reiterated statements on farm prices. They are not farm prices, but, rather, prices of farm commodities as determined by retailers who include in their prices the costs and profits of wholesalers, processors, carriers—all these handlers collect some profit. It is an accumulation of costs and profits which determine the final retail price.

The farm producer is the only one who cannot fix his price based on his cost of doing business. He learns from press and radio what his commodity will bring on a speculative market, now partially controlled by triple A legislation or under war measures. Increases have been granted to others by the Government for cost of transportation and for wages. The farmer is used as the whipping boy in this unfortunate situation. It is unjust to hold him responsible for the rising cost of living and threatened inflation.

It is estimated that, in an average 65-cent dinner the producer of the raw products would get not to exceed 12 cents. It is the sheerest nonsense to state that a rise of from 10 to 16 percent in parity, which cannot amount to more than 2 cents on that dinner, is the cause of inflation. The big profits go to the processors, the middlemen, the carriers, those groups which have "always borne down with terrific oppression upon that group which derives its sustenance from agriculture."

The figures vary as to what part of the consumer's dollar the farmer really gets, but it is certainly less than one-half. The Division of Information of the triple A has just issued a statement that the average price of a loaf of bread, throughout the United States, is 8.3 cents, and that the farmer's wheat in that bread netted him 1.1 cents or 13 percent of the cost of the bread to the consumer. To say that a rise of one-sixth, or less than 2 mills, is a cause of inflation, and is responsible for the increased cost of living, is to state an untruth. Such statements malign the farmers who are hard pressed for labor and machinery and face an uncertain financial future.

INDUSTRIAL CENTERS WANT CHEAP FOOD

In discussion of food prices, it must never be forgotten that the industrial centers of the United States want cheap

food and cheap raw materials. It is necessary to their economy. Many of the Representatives in the Congress who come from industrial centers have voted for farm legislation in the belief that if farmers did not have profits they could not buy the products of the factories in the industrial East. The President's position on parity and inflation will be extremely popular in the thickly settled centers of the Atlantic border. Their House Members out-vote those of the agricultural sections many to one. There are 45 Representatives in the House from the 12 Western States, commencing at the Red River of the North. New York alone has that many Congressmen. The man riding the range in the big outdoors of the West must understand that it is some task to make those in the East comprehend the difficulties of our sectional position.

LOWER STANDARDS OF LIVING

Food rationing is suggested as a remedy. That should be used only as a last resort. Rationing will not in any way add to the quantity but will stimulate the black market as well as inflation. It is true that we must accept a lower standard of living as the result of the world-wide war. It is one of the inevitable consequences of the struggle for world mastery on the battlefield. How low that standard of living must go depends entirely upon the length of the war. I remember that when I was Governor of Oregon, Gen. Hunter Liggett, who commanded our Army in the Argonne Woods, said to me that, if another World War should come and be fought to exhaustion, it would result in a semi-civilized condition in much of Europe. He thought the sceptre of empire might then pass from northwestern Europe to America or to Asia.

Whatever the future may bring, or however long deferred the military decision may be, we do know that our country must be prepared to feed the exhausted peoples of the world. We cannot allow our flocks, herds, orchards, and farming lands to deteriorate nor to lie idle.

FARM COMMODITIES MUST BRING PRODUCTION COSTS

Everyone today realizes that this is not a war as usual. So we must all understand that the production of foods and fibers by the American people cannot take place under usual conditions. The position of the farmer must be stabilized so he can remain on the farm with some assurance of labor supply and financial returns for his products which will pay labor and other farm costs. There is no proposal for cost-plus contracts for our farmers, but Government must use farm manpower—and now it is womanpower, too—most beneficially.

The No. 1 economic problem in America today is to get farm commodities produced in sufficient quantities to supply the demand and help hold down inflation.

Farm commodities cannot be produced at a financial loss through a long period of time. Thirty years ago, during the "base period," used as a yardstick for farm parity, the farmer did practically all his own work. He could then hold on for quite a long time, producing at a

financial loss, though he accumulated debts which are not yet paid. Today, in this highly commercial age, with costly machinery for harvesting and the costly fuel for operating the machinery, he must have cost of production for the commodities, or he must cease to produce. He must have cash for machinery, gas, taxes, and interest—or lose his farm.

The farmers work longer hours than any other group; their women and girls feed the chickens, drive the tractors, milk the cows. They are now doing the drudgery of farm work like European peasants. Even this cannot continue if prices to the farmer are less than his production costs. The country must be informed as to the actual conditions on the farm, and must know that the farmers are not a profiteering group. They have not raised their prices unduly and do not intend to do so, nor would they have the power to accomplish this if they were so minded. All the tillers of the soil ask is a chance to do their part in these terrible times.

Production costs today should not be figured on the old "parity base" of another era. Economists must give consideration to net income, a much fairer measuring stick than the so-called parity. The Government has told industry, involving billions of dollars, that it will receive for war work the cost of production, with a margin of profit—cost-plus. Guarantee to the farmer that he can receive cost of production, and he will forget the profit while his sons are on the war front.

Family labor is not even computed as part of the cost of production under parity. One question now before the Congress is an amendment to the price-fixing bill providing for inclusion of farm labor at wages of hired labor, when computing parity. This is fair and may hold some experienced operators on farms. It is difficult to include such a provision in hurried legislation. Selective service boards throughout the Nation should be required to leave a few keymen to handle the intricate farm machinery and to manage the work done on the farms by the less efficient help. A trained, practical, experienced farmer is absolutely necessary to adequate farm production even though he would make an ideal soldier and wants to go into the armed forces. Selective service boards have been given authority to exempt the ministers of the Gospel of all faiths in order that they may be left to minister to congregations and feed men's souls. Surely, the selective service boards should be empowered to grant farmers the right to stay by their flocks and feed men's bodies. Farm boys are usually young men of fine character who rush to enlist.

PARITY

It is unfortunate that the misleading term "parity" should enter into a discussion of inflation at this time. Parity as a yardstick for farm prices was a hastily contrived device of economists accepted by the Congress during the economic crisis of 1933. It was a temporary expedient, and a recognition of the fact that farmers, the most essential of all producers, should have a stabilized econ-

omy. Parity does not now, and never did, mean cost of production. Striving for parity for the last 9 years has been a real goal for the farmers. It has made them hopeful of finally securing production costs. The Government now seeks to make parity a ceiling instead of a goal. It is not an entirely satisfactory nor a final method of determining fair agricultural prices. We do not want to give it up until we find something better.

Parity simply means that the financial return for certain farm commodities should have the same buying power for farm essentials that it had during the years selected as a "base period." Agencies of the Government are charged with the responsibility of price adjustment to this end.

The largest single item of cost for the farmer was and is the wages paid for farm labor. It was not included as an item in the farmer's parity index. It was claimed by economists of the Department of Agriculture that if it were then used, it would lower parity value because wages of labor during the base period were very low. Owing to increased use of expensive machinery, farm wages are higher and farm labor is very much more effective today than it was 30 years ago.

When I became a Member of the Congress in March 1933, and secured the coveted place on the Agriculture Committee, I immediately became interested in the cure for disease of prostate and debt-burdened agriculture. We found that, in the period from 1909 to 1914, farmers on the average had been able to secure a fairer portion of the commodities they wanted to buy than in any other 5-year period. This was not true in regard to sheep and wool producers during that period of time, because there was then no tariff protection on wool and prices were extremely low. It was not true in regard to cattle, consequently cattle and sheep men asked that cattle and sheep be not included as basic commodities. In the First World War, the emphasis was on wheat and cereals. In this World War, having lost the oils and fats of the South Sea Islands, the emphasis is on meats and fats. Another basic period, 1919 to 1929, was selected for tobacco. For the four basic commodities—wheat, cotton, corn, rice—the years from 1909 to 1914 were selected as the base-measuring period for prices, and incorporated into the law.

Members of the committee knew that the parity formula would not prove to be a perfect measuring stick, but it was the best we could find at that time and it was something to tie to as a beginning. We knew that over one-third of the population was then living on farms and receiving less than one-eighth of the national income. We knew that the per capita income during that base period was only \$134 to those engaged in agriculture, while for those engaged in non-agricultural pursuits the annual income was \$488. The average income for the nonfarmers was over three times what it was for the farmers. The financial debacle of the farmers of America following the First World War had brought disaster also to merchants and banks and had seriously affected our whole economy. Local businessmen and small manufac-

turers today find themselves in trouble, almost as badly off as the farmers. These two groups rise and fall together.

THE BASE PERIOD WAS ANOTHER ERA

My objection to the base period calculation is that it was of another and totally different economic era of our swiftly changing world. The first year of that period, 1909, one-third of a century ago, was the day of the horse-drawn farm implements; products were hauled to market by horses. If the farmer needed a new engine to pull his carriage, his wagon, or his machine, he went into the back pasture and caught a colt and broke him to the harness. The oil and the gas he now needs, and must have in such quantities, were then supplied by the oats, the barley, and the hay from the farmer's own fields. Now the money all goes to the Atlantic seaboard. The successful farm tractors had not been made. The farmer, during the base period, had comparatively little costly farm machinery. In the farmer's home during the base period there were no radios, very few electric lights, not many telephones; taxes were comparatively light.

The world then offered a market for all the surplus agricultural products. The work, during that base period, was mostly done by the farm family itself including the boys and the girls. When harvest time came, exchange of work went on between farm families. Today farm implements are motor-driven and their prices are fixed by monopoly, having been constantly increased without check or hindrance. Farm boys and girls are now early attracted from the farms by the higher wages paid in industry.

Certainly, there was a lower standard of living during that base period. To compare that era with the present and to adopt it as a yardstick is sure to bring unsatisfactory results. Farming today is highly commercialized. Thirty years ago it was more nearly a way of life.

The base period was previous to World War No. 1 which brought such tremendous economic changes. Now, in a global war, an artificial expedient of another age is clearly outdated. Now there are no foreign markets, except gifts under lend-lease. During the base period, industry was largely competitive. Now, industry, especially war industry, is cost-plus. In fact most of industry today is practically on a cost-plus plan. Utilities find they can raise their rates if they can show the State public service commissions that they are not making sufficient dividends. The great monopolies, including farm machinery manufacturers, are really cost-plus businesses. They fix the prices paid for the raw products as well as for the finished commodity, now even that farm machinery is rationed.

Wages everywhere are much higher than they were during the base period. The public is led to think that parity for farm prices means a fair relationship between agriculture, labor, and industry. I wish this were true, but my experience as an actual farmer, reaching through many years, and my long study of this problem lead me to the conclusion that farm profits have been at least one-third below what they should have been to

have given a reasonable relationship between agriculture and industry. It has been stated over and over in this discussion that parity is just restoring to agriculture the same buying power it enjoyed 30 years ago. Those who make such assertions should be reminded that the farmer was then getting \$2 as against \$7 returned to industry and labor. The average daily farm wage was then less than \$1 for a 12-hour day. Now the farmer if he can get any help must compete with a minimum of \$10 to \$12 a day in war industry.

CEILINGS AND FLOORS ON FARM COMMODITIES

Farmers will accept ceiling prices on their products if those prices are fair as compared with industry and transportation. With ceilings must go floors, or we shall fail to secure sufficient foods and fibers for the war effort. We now have floors under six basic agricultural commodities—corn, cotton, wheat, rice, tobacco, and peanuts. The floor is the amount the producer is allowed to borrow from the Government by signing a non-recourse note. He can pay that note at maturity and redeem the pledged commodity, or he has the privilege of considering it a sale.

The Agriculture Committee also provided, in the triple-A act, for agreements and enforceable contracts for dairy products and perishable farm commodities. This has been an extremely valuable provision in stabilizing prices on perishable products. We must now go further and provide floors, or minimum prices, for commodities which we must now have in such unending quantities. We must ever bear in mind that ceilings and floors alone will not stop inflation. Neither will ceilings or floors insure production in quantity unless very careful provision has been made to guarantee that the floors are not below cost of production.

EFFECT OF CEILINGS ON RETAIL PRICES

The O. P. A. price dictator, who makes the public think of its retail food prices as farm prices, fixed ceilings on canned goods in stores and warehouses. These fruits and vegetables in cans were processed when wages and costs were much lower. Merchants were compelled, under the ceiling order, to sell the goods off their shelves for less money than it would cost to replenish the exhausted stocks. Labor costs having skyrocketed, canners cannot pay as much as they formerly paid for the raw products if they sell at fixed ceiling prices. They push the burden back on the producers, who cannot afford to harvest crops, and, therefore, foods are wasted. Hundreds of acres of vegetables were not gathered this year, and packs were lower.

We have, by this method of fixing ceilings without floors, encouraged the black market, and hastened the day of wild inflation. Ceiling prices will endanger supplies, unless fair returns reach the producer. Production under them might be cut half in two, the price might then be doubled, and the farmers would get no more money. We have piled up big surpluses in some protected products like wheat, owing to bumper crops caused by weather conditions. Lack of protection

and inclement weather conditions have brought on a severe scarcity of other food crops.

THREATENED FOOD SHORTAGE

There is grave danger of a shortage of foods and fibers next year, and for the duration of the war, unless some reasonable and fair stabilization program can soon be formulated by the Congress and expressed in legislation. This is not a threat on the part of the farmers, nor do I suggest there will be any reprisal on the part of the farming world which is essentially American and highly patriotic. The food shortage will be a natural consequence of neglect to make it possible for the farmer to finance his production and to secure the necessary labor. Consumers must be informed by governmental agencies that retail food costs represent not only the cost of farm production but labor and profits for processors, handlers, and carriers who are all necessary to our complex economic system.

THE FARM PICTURE TODAY

I wish I could paint the picture which is being filled in, day by day, as letters and newspapers come to my desk from my agricultural district. Small farms are being abandoned because men are going to war and industry, and price uncertainties are frightening farmers away from preparations for next year's production. All our legislation should be based upon the encouragement of farm production. Dairy farmers are auctioning off their fine cattle and destroying the herds which have been built up so carefully. There is no labor available. An observer writes from my home town:

At this time next year there will not be any milk for anyone here, and the time is rapidly approaching when there will not be milk in Oregon for anyone except small children.

A well-known cattleman of southern Oregon states that but one small band will be fattened in a section which has usually carried ten thousand cattle. As a result of the fixing of ceiling prices, the cattle are not going into the feed yards but are going to the slaughter houses 250 pounds lighter than they would have been in the spring. No one can afford to take the chance of feeding them.

A brief news item is:

Half of the eastern Oregon sheep outfits are for sale. Herders are not available and many retired sheep owners have gone back to work to help out during the emergency.

A farmer writes:

Defense work is taking all our help from the farm. Many of our stockmen are closing out their entire herds of sheep and cattle. Farmers who are milking from 15 to 20 cows are discontinuing on account of lack of help. They themselves are now working 15 hours a day and have no kick on what they are doing.

Here is another letter from a farmer who has done everything within his power to meet difficult conditions:

This railroad here has been ordered out by the War Board, never taking into consideration that it is a feeder line and part of a system. This will mean the end of raising sugarbeets and potatoes in this territory. Our farm labor and our tires are gone and now they say these rails are needed elsewhere. What is the end to be?

Another farmer writes:

Walter, we are battling on the home front, doing our best, working 16 to 18 hours a day, but our farm labor is uncertain and costs so much we do not know how long we can hold out. We are going to stay till the last dog is hung; however, I feel that something should be done, and very soon, regarding farm and sheep labor. We now have over 7,500 ewes for sale for the reason that our best labor has been drafted. What are we going to do next year?

Another man, comparing wages and costs, says:

Compare the present wholesale farm prices at my place with those of World War No. 1.

	1942	1918
Lambs, pound.....	\$0.10	\$0.13
Hogs, pound.....	.13½	.20
Wool, pound.....	.45	.50
Butterfat, pound.....	.45	.70
Eggs, dozen.....	.35	.70
Turkey, pound.....	.30	.49
Barley, ton.....	23.00	40.00
Oats, ton.....	26.00	40.00-50.00

On the other hand, look at the farm expenses—wages twice as high as 15 months ago, and one-third to one-half higher than in World War No. 1. Freight rates are 10 to 20 percent higher. There is heavy increase on taxes, indirect and direct, also on the cost of machine work and machinery.

Our dependable farmers say to the Commander in Chief, "Mr. President, Congressmen from western farming and stock raising districts want to aid you in every possible way to stay the advance of inflation. There is no more patriotic group in America than the farmers we represent. Their sons have volunteered by the thousands. Any accusation that they are profiteering or are the cause of increased cost of living is entirely unjust. We know you are fair-minded and that you have been understanding and sympathetic in regard to the farmer's plight. Now we ask you to fix floors when it is found necessary to fix ceilings. The floors must be so fixed that production will continue in unending quantities. American farmers will be satisfied and happy only if it is made possible for them to do their part by feeding and clothing our armies and our Allies."

[Here the gavel fell.]

(Mr. PIERCE asked and was given permission to revise and extend his own remarks in the RECORD.)

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. ROBERTSON].

(Mr. ROBERTSON of North Dakota asked and was given permission to revise and extend his remarks in the RECORD.)

[Mr. ROBERTSON of North Dakota addressed the Committee. His remarks will appear hereafter in the Appendix of the RECORD.]

Mr. WILLIAMS. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and the pending substitute to the amendment conclude in not to exceed 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. HULL. I object, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. COFFEE].

Mr. COFFEE of Nebraska. Mr. Chairman, before this debate closes I want the Members to realize how impractical and how obsolete the present parity formula really is. Parity prices to the producers of certain commodities mean profit. Parity prices to other producers mean bankruptcy.

In order to find out what the present parity price is on any agricultural commodity, with the exception of potatoes and tobacco, all you have to do is to take the average price of the commodity between 1909 and 1914 and increase that price by 52 percent.

Does it stand to reason that the cost of producing all the various commodities, from spinach to cattle, has increased in the same amount, uniformly, throughout these 30 years? Of course not. It is ridiculous. The Brown amendment will be helpful but the formula is faulty so long as it ignores actual cost of production.

The average price of cattle between 1909 and 1914 was \$5.42 per hundred. Bear in mind that about 30 years ago we had longhorn Texas steers running the range from Texas to Montana. Further, they were grazing Uncle Sam's free range before the Homestead Act settled the western range country. Today those ranchers must either own the land or lease it. Also, instead of the longhorn Texas steers that formerly ran that range, you have the finest quality of cattle there today that you will find in the world.

It costs more money to produce cattle of good breeding than it does those of poor quality. But according to the figures of the Bureau of Agricultural Economics formula, cattle are cattle. Quality makes no difference. You just add 52 percent to the average price current 30 years ago and that gives you your present parity price, which is \$8.24 a hundred.

If a price ceiling were placed on cattle at \$8.24 per hundredweight, it would wreck the livestock industry. The present average price of cattle throughout the United States, according to the Bureau of Agricultural Economics, is \$11.30 per hundredweight, \$3 above parity. Should Mr. Henderson or anyone else under the authority granted in this bill exercise that authority and put a ceiling on cattle at parity, it would mean not only wrecking that industry but something much more serious. It would mean the loss of production of vital food in this war effort.

Increased meat production should be encouraged. One of the reasons there is talk about rationing meat today is simply because production is not increasing as fast as consumption. This is a result of the threat that has been hanging over the industry for the last year. Cattle feeders throughout the Corn Belt have refused to fill up their feed lots with cattle because of price-ceiling agitation and many of them have decided they would just sell their corn to the Government under the loan program and play safe. Today thousands of feeders who would

normally have cattle in their feed lots have none. They are afraid to buy for fear of being forced to sell at some inequitable price ceiling.

[Here the gavel fell.]

Mr. COFFEE of Nebraska. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. COFFEE of Nebraska. Cattle today are going to the packers half fat, directly from the range. They should go to the feed lots in the Corn Belt but they are going direct to the packer. The people who now have cattle in the feed lots in the Corn Belt are getting nervous. They fear the sword of Damocles that is hanging over their head at the present time, and as a result cattle from the feed lots are going to the packers prematurely.

The Nation is losing millions of pounds of meat simply because of this uncertainty. There is no real need for this bill because the President has all the authority necessary to control prices on all commodities under the existing Price Control Act. That act does have certain safeguards that protect farmers and livestock producers against arbitrary price ceilings that would impede production.

But I am afraid the delegation of power in this measure will be more far reaching—until industrial wages are stabilized price ceilings on agricultural products will be forced higher because the farmer must compete for labor to maintain production. Higher prices for farm products are a result not the cause of inflation.

We can protect the consumers of this Nation by doing what is necessary to secure increased production as the best safeguard against scarcity and higher costs of living. We should be thinking more about how to prevent a serious decline in food production next year and less about the small profit the farmers are now receiving.

[Here the gavel fell.]

Mr. COFFEE of Nebraska asked and was given permission to revise and extend his remarks in the Record.)

Mr. THOMAS F. FORD. Mr. Chairman, I move to strike out the last word.

Mr. WILLIAMS. Mr. Chairman, will the gentleman from California yield to me?

Mr. THOMAS F. FORD. I yield to the gentleman.

Mr. WILLIAMS. Mr. Chairman, I would like to see now if we can agree on the time at which this debate will close on the pending amendment and the substitute. I suggest that all debate on this amendment and the substitute close not later than 4 o'clock.

The CHAIRMAN (Mr. COOPER). The gentleman from Missouri asks unanimous consent that all debate on the pending amendment and the pending substitute close not later than 4 o'clock. Is there objection?

Mr. MUNDT. Mr. Chairman, reserving the right to object, I would like to call the attention of the Chair to the fact that there are approximately 20 Mem-

bers standing. This would give them less than 2 minutes and the Chair has permitted several Members to take 10 minutes today in the well, and I think the rest of us should have at least 5 minutes.

Mr. O'CONNOR. Mr. Chairman, reserving the right to object, may I ask the gentleman in charge of the bill if he would agree to give the Members who are now standing 3 minutes each?

Mr. WILLIAMS. I have made the request.

Mr. DWORSHAK. I object, Mr. Chairman.

Mr. WILLIAMS. Mr. Chairman, I move that all debate on this amendment and the substitute close not later than 4 o'clock.

The question was taken; and on a division (demanded by Mr. BOREN) there were—ayes 104, noes 38.

So the motion was agreed to.

The CHAIRMAN. If the Chair may be indulged: moment, the Chair will read the names of those who were standing: Mr. O'CONNOR, Mr. MUNDT, Mr. SPARKMAN, Mr. CARLSON, Mr. REED of New York; Mr. HULL, Mr. STEFAN, Mr. MONRONEY, Mr. BOREN, Mr. DWORSHAK, Mr. BENNETT, Mr. KLEBERG, Mr. GRANT of Alabama, Mr. MOTT, Mr. RIZLEY, Mr. EDWIN ARTHUR HALL, Mr. McCORMACK, and Mr. WILLIAMS.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Chairman, was the request as stated for the closing of all debate on any other substitutes that might be offered?

The CHAIRMAN. No; on the pending amendment offered by the gentleman from Georgia [Mr. BROWN], and the pending substitute offered by the gentleman from Michigan [Mr. WOLCOTT] to the Brown amendment.

The gentleman from California [Mr. THOMAS F. FORD] is recognized for 5 minutes.

Mr. THOMAS F. FORD. Mr. Chairman, what I have to say will be short; it may not be sweet, but it is my personal view.

First of all, I am convinced that the measure before us, while not perfect, is a step in the right direction.

Inflation—that most disastrous of all catastrophies—is in the offing. To check it is the duty of Congress insofar as it can be checked by legislative action.

The President has asked this body to enact legislation that will enable him to check inflation. The Congress is endeavoring, honestly I am sure, to legislate effectively to that end.

No man in this body is more jealous of congressional prerogative than I am. Therefore, I urge you to carefully study the measure now before you as presented by the Banking and Currency Committee of the House.

This measure undertakes to permit the President, within certain well-defined limits to fix ceilings on labor and on agricultural products.

It is my firm conviction that if we adopt this measure we will, in the final

analysis, give the President the necessary authority to make such adjustments as are essential to achieve the objectives which he has in mind and which I believe the Congress also has in mind.

One of the amendments being offered, in fact the major amendment, that to include the cost of labor in the computing of farm parity, is to my way of thinking both vicious and silly. It is vicious because it will entail a veto of the bill. It is silly because we are not discussing a cost-of-production bill, but a parity bill. If the farm group want to scrap the parity principle and enact cost-of-production legislation, well and good, but that problem is not involved in this bill.

We are in a war, not merely a war for some indefinite objective, but a war for the preservation of democratic ideals the world over.

Whether we like it or not, this war can be lost. We are determined that it shall not be lost, but mere determination minus the taking of all steps to win it, will not suffice.

Unless we control our domestic economy in such a manner as that control contributes directly to our war effort, we are jeopardizing that war effort.

For that reason, I, as just a plain American citizen, regardless of the selfish interests of certain groups, whose demands I am convinced will, if granted, impede that effort, am stating definitely now and here that I shall support this measure and oppose all crippling amendments that have for their ultimate purpose the promoting of selfish group interest.

Stabilization of our national economy to prevent ruinous inflation is vital.

The President, as commander in chief of our armed forces, is vested by the Constitution with certain inherent and inalienable powers. Being as he is a devotee of genuine democratic processes he has asked the Congress to grant him by legislative sanctions the authority to do certain things necessary to the war effort. In making this request he merely asks congressional sanction.

His blunt manner in making the request may, I admit, have been of a nature to ruffle congressional pride or ego. As to whether this was warranted or not I am not prepared to say.

But I am prepared to say this: The American people want action on price control. The Congress can take this action or it can, like a famous ancient general, sulk in its tent, but it can do this only at its peril.

This measure will, in my reasoned judgment aid the President in achieving the necessary control over prices and wages that will stop the inflation spiral now threatening our economy. For that reason I shall support it, as it stands.

The CHAIRMAN. The gentleman from South Dakota [Mr. MUNDT] is recognized.

Mr. MUNDT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MUNDT. If at the conclusion of the time limitation on this debate the Wolcott amendment is voted down, will the procedure then be to vote immedi-

ately on the Brown amendment or opened to other substitutes?

The CHAIRMAN. It would be subject to other substitutes or other amendments that may be offered.

Mr. MUNDT. And the time limitation would not hold at that time?

The CHAIRMAN. The Chair is of the opinion that the limitation would not apply to that, because the question was not put as to amendments to any other amendment or any other substitute.

Mr. MUNDT. Then, Mr. Chairman, I ask unanimous consent to extend my remarks in the Record at this point and yield back the balance of my time.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. MUNDT. Mr. Chairman, I have given much special study to the President's message on the subject covered by the legislation before us today and to the hearings, the committee report, and the debate which have preceded the vote to be taken today on the important problem of inflation control. It is important that appropriate steps be taken to control inflation in this country and that those steps be taken in such a manner that they will not prejudice the interests of one group of citizens as against those of other citizens. I hope that by the time this bill finally passes both the House and the Senate and by the time it is written in its final form by the conference committee that it will be legislation which will deal equitably and firmly with the problem of inflation. I hope it will set up formulas for action and principles of administration by which wise and just executive direction can administer its provisions in the interests of America, generally.

Our present price-control legislation is in my opinion faulty in principle and it has been faulty in administration. As a consequence injustices have come about, inequities have developed and we find ourselves in serious economic trouble. At the time the present price-control legislation was before Congress I opposed it and voted against it; I did this not because I am opposed to inflation-control legislation, because I am in favor of sound legislation in this direction. My opposition was, however, based in part upon the failure of the existing legislation to include all the factors of cost of production in its consideration of established prices and its failure to bring the wages of labor into consideration in its efforts to regulate prices and control inflation. It seemed obvious to me that it is impossible for any man or bureau to control prices equitably unless he has some authority or some formula for regulating the costs of the various factors going into the make-up of the prices which must be charged. For that and other reasons which I shall not go into today, I voted against the price-control legislation which even the President has now admitted has been a failure and which we are today attempting to correct.

I believe, Mr. Chairman, we might do better today if we were to start over with a new approach to inflation con-

trol based on a scientific over-all formula operating from an index number which would treat labor, industry, agriculture, and investment interests equitably and scientifically while at the same time definitely establishing controls over inflationary movements. I think we might produce better legislation by that method than by trying to patch up legislation which it seems to me was based on a faulty premise in the first instance. However, a new approach was not made and so we must proceed with our patchwork as best we can since we are denied the opportunity of voting upon or giving legislative consideration to any other method of inflation control at this time.

Therefore, if the legislation now before us is to be the only basis offered us for securing inflation control it seems obvious that we should try to iron out as many inequalities as possible and to make it as universally operative as can be done. In this connection, I think it is clear that some action must be taken whereby the farmers of America are permitted to receive consideration for the greatly increased costs of employed labor on the farm in any formula set up for fixing ceilings on farm prices. To fail to give any consideration to the rapid increase in farm costs resulting from the steadily rising costs of farm labor, is to write a bill which cannot operate justly and under which it may well develop the American farmer cannot operate at all.

After all, Mr. Chairman, if in our desire to control inflation we fix ceilings on farm prices upon the basis of a parity formula more than 30 years old and without giving any consideration to the wartime conditions under which our farmers are now operating we may well be killing the goose that lays the golden egg. Unless farmers can secure the labor they need to conduct their farm operations they cannot produce what is needed to feed America and the United Nations.

If we proceed to fix ceilings on farm prices which give no consideration to these greatly increased costs of hired labor we may force hard-working farmers to abandon their efforts and give up their farms because if the sale of farm products will not produce sufficient to pay the wage scales demanded for their production the farmer is whipped. That would be bad for the farmers, Mr. Chairman, but it would be worse for America and the very city consumers, eastern newspapers, radio commentators, cartoonists, and others who are calling for action to hold down costs of living would be the first to cry out to high heaven for additional food at the first signs of a shortage of farm products. Worse than food at high prices, Mr. Chairman, is a shortage of adequate food or no food at all. Therefore, we must be careful that we do not enact legislation which will make it impossible for the American farmer to stay in production and we must not lose sight of the fact that it takes labor to run a farm just as it requires labor to run a factory or to man a production line.

What is causing the present labor problem on our American farms? There are at least four very important reasons, Mr. Chairman. First, of course, is the fact that men of draft age are being called

from the farm to join the armed services. There is perhaps no alternative to this because it requires men to fight a war and aside from giving due care to seeing that men on the farm are not called in any greater numbers than men in industries and other occupations there is no way to correct this situation. However, it is an important factor in creating an unusual and serious labor problem on the farm and in giving rise to a greatly increased need for hired help to whom cash wages must be paid.

In the second place, many boys and men have left the farms of America to work in defense industries by virtue of the fact that wages in such industries are so much more attractive than the highest wages the farmers have been able to pay. It is a fundamental law in economics that employables always seek the sources of greatest income and there is no equitable way to correct this situation while the present great disparity exists between the net income of a man working 10 or 12 or 14 hours on a farm with the fellow working not to exceed 8 hours in an industrial job. However, it has helped mightily to aggravate the labor problem on the farm and if today we fail to recognize this fact we may completely drain dry the labor market for the farmer; unless we protect the ability of the farmer to pay wages to those he employs which can induce them to work on the farm we may be in fact setting ceiling prices on farm products which will soon become entirely unavailable to large portions of our citizens.

A third important reason why the labor problem on our farms has become so acutely serious is the increasing difficulty to secure labor-saving machinery on our farms. You all know the reason for this. It is the matter of priorities. America and the United Nations need the steel for making implements of war. While there is not steel enough to go around, the war needs must and should come first. But the necessity of the action does not decrease the seriousness of the result. Consequently, more men are needed on farms today than ever before since when corn-shucking machinery is not available the corn must be shucked by hand; when combines are not available, the grain must be shocked or stacked by hand. Thus, in a third manner, labor has become more scarce and therefore more difficult to purchase on our farms.

Still a fourth reason for the increased and increasing labor problem on our farms is the fact that the war needs of the United Nations have required a greatly increased production. There are demands for more wheat, more corn, more dairy products, more fibers, and so on, all down the line. And we must remember that the best protection against inflation in food prices and the high cost of living is in the final analysis ample and increased production. But increased production requires increased labor on the farm. And to get increased labor today it is as clear as black on white that increased wages must be paid in view of the many other more attractive opportunities which are presently offered to men willing to work.

Mr. Chairman, I have tried to point out why the costs of farm labor must be recognized and included in any formula for fixing ceilings on farm prices if the formula is to work and if it is not to curtail the very farm production which we are today seeking to increase. There is no magic by which farmers can pay labor with money which they do not have. And there is no way for our farmers to get the money to pay labor unless they are permitted to receive prices which will provide them with that money.

About the only argument offered against writing a formula here today which will recognize these elemental, economic factors is the cry by administrative spokesmen that the President will veto the bill if we include the costs of farm labor in any formula for fixing ceilings for farm prices. Well, Mr. Chairman, maybe he will veto the bill and maybe he will not. I do not profess to know. I do not know whether those who profess to speak for him really know or not. When the President returns he will have to decide for himself whether to veto this legislation or approve it. That is his job. Our job is to write a bill which is equitable and which does not blind itself to the very obvious fact that if the farmer cannot secure enough for his produce to pay for its production he simply cannot continue to operate his farm. If we do that we shall have done our job and if the President will take the time to study the thing through carefully I do not see how he can ignore the fundamental logic and honesty of such a course.

Furthermore, Mr. Chairman, the oft-repeated cry, "If you don't do this the President will veto the bill" is losing its effectiveness in this House. I am glad that it is. Were it otherwise, and were we as a legislative body to scamper for cover every time a Presidential leg-man presents that argument we might as well close up shop. Either we should legislate in accordance with our judgment and our convictions or we should hang a sign on the doors of this legislative Hall saying, "Closed for the duration. Proxies of all Members will be found on file at the White House." The veto power is an Executive prerogative. The President has a right to use it when he so desires. However, legislating is a congressional prerogative and Congress has a duty and responsibility to exercise it on the basis of its collective judgment and not as a shrinking maneuver conducted under the threat of a Presidential veto.

Mr. Chairman, it has been said that the increase in wages resulting from the provisions of this bill will amount to between ten and twelve billion dollars as they are generally adjusted upward in conformity with the 15-percent increase provisions. If this is not inflationary, certainly the increase in costs of perhaps eight or nine hundred million resulting from including costs of farm labor in the formula for determining ceilings on farm prices is not inflationary. And if the former is important, as the President seems to think it is, surely the other is even more important. If we are to

freeze prices or fix ceilings, Mr. Chairman, we must freeze or fix the relationship between labor charges and farm prices. We cannot write a workable bill by freezing the one while failing to consider the other. The previous price-control bill tried to do this and failed.

Personally, I am not sure the so-called Brown amendment is the best way in which to approach this problem but it is apparently the only method to be made available to us to give consideration to the costs of farm labor. It is obviously better than nothing. If we pass it, the conference committee may work out a more scientific basis for giving fair consideration to these costs of farm labor. But if we pass nothing to protect the farmer in this connection, we put in jeopardy the whole functioning of this legislation.

Industrial wages are today 38 percent above the averages of the World War while farm prices are 37 percent below World War averages. The farmers comprise over 25 percent of our population but even today they are receiving less than 9 percent of the national income. With such facts before us and before the President it is simply ignoring the evidence in the books to insist that the farmers are responsible for inflationary movements in America today. Let us not be misled by overzealous editorial writers in the East or by ill-informed radio commentators—let us proceed carefully to write an inflation control bill which will be workable because it is equitable and which will fix a relationship between farm prices and industrial wages which will be fair to both without being prejudicial to either and which above all will not jeopardize the productive program of America.

The CHAIRMAN. The gentleman from Montana [Mr. O'CONNOR] is recognized.

Mr. O'CONNOR. Mr. Chairman, necessarily, owing to the time, I do not expect to discuss this amendment very much. I simply want to say that I came to Washington on the 8th of September. Immediately on coming here I read the President's message. I knew from the time of the passage of the act of 1933 that it was not fair to the American farmer because it did not include the cost of labor. When I read the President's message, which he not only delivered to the Congress but that he gave to the country as well over the radio, I concluded that I could cooperate with the President 100 percent on this domestic issue because he apparently realized the fairness and the justness of having the cost of labor included in the parity price.

In the northwest section of the country, in figuring parity on cattle and sheep, we cannot overlook the hazard of wintering livestock. There have been winters, such as 1919, when cattlemen and sheepmen were almost wiped out by 6 months of continuous winter. Hay was imported into Montana at prices ranging all the way from twenty to fifty dollars per ton to save what cattle and sheep that were saved during that time. Now, in order to be on the safe side, it is always

necessary to anticipate just such weather and try and put up feed enough to take care of our basic herds. It is easy for someone here in Washington to sit in a swivel chair and say that a cow will produce a calf at such and such cost or a sheep will produce a lamb at such and such cost, but they should take into consideration the fact that that cow or ewe sheep may be wiped out during the winter in just such a way as I have mentioned. I have referred before to the famous Russell postcard, where he depicted a starving cow standing nearly up to her belly in snow during a temperature of probably 40° below zero. The card was entitled "The Last of the Five Thousand." This postcard immortalized Charles Russell as a painter.

[Here the gavel fell.]

(Mr. O'CONNOR asked and was given permission to revise and extend his own remarks in the RECORD.)

The CHAIRMAN. The Chair recognizes the gentleman from New York, [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I rise for a brief moment to say that I will vote to keep farm labor wages in the parity price program. I received a letter today from a friend who is a dairy farmer in one of the counties in my district. He says that he could not get hold of any farm labor and he could not pay the price that farm labor wants in competition with defense plants adjacent to him, that he is working his wife and two young children, as his two older sons have left with the draft. I say to the House here today that if we are to win the war, we must provide the farmer with the opportunity at least to pay farm labor costs and to include other costs of production.

This farm situation is no joke; unless the farmers are given half a chance, they cannot keep on producing food for freedom. Unless farmers are allowed to break even, they cannot stay on their farms.

Already there is strong indication that food will be rationed throughout the country before next spring due to scarcity created by Army consumption and vast shipments abroad. How will the people be able to subsist if the farm population continues to move off the farm where it cannot survive and go to a more attractive living in cities where defense plants offer lucrative jobs with shorter hours?

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. KLEBERG].

Mr. KLEBERG. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and reserve the remainder of my time.

The CHAIRMAN. Is there objection? There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Chairman, two major problems stand in the way of freezing farm prices at current prices or any other level. First, there is need for greatly expanded production of farm products. The most effective way of encouraging larger production is higher prices. The second major problem in

fixing farm prices is the relative level of farm prices and wage rates. Much of the controversy over prices during recent years has centered around parity, which is simply another term for the relation of one group of prices to another group.

The 1909-to-1914 formula of farm parity has never included labor costs. Certainly no one will contend at this time that labor costs should not be included in the cost of farm production. The truth is they must be included, if a farmer is to produce the necessary foods for winning this war. Much has been said this afternoon in regard to the increased parity costs if the Brown amendment is adopted. Farmers have been accused of profiteering. They have been accused of being unpatriotic. These charges are not only unfair, but are untrue. When one realizes that parity is figured on a basis of conditions 30 years ago it must be evident to everyone that some change must be made if we are to encourage the farm production needed. Farmers today are not profiteering. It is hard for them to understand why they have been singled out as such offenders. Many of them could quit their farms and secure a job in some war industry, make more money and work a lot shorter hours. Many of them are doing this very thing. They are being forced to by the present labor situation. Farmers have been asked to produce to the limit. They have responded wholeheartedly and very successfully, as figures from this year's crop reports and receipts at livestock markets will well show. All of this has come about despite a shortage of labor and equipment. The farmers have not complained. They have not insisted upon a 40-hour week or an 8-hour day. They work from dawn until dusk. Their wives and children have all contributed to this effort. The farm industry this year is prospering because it has been a year of unusual yields. Fair but not excessive prices have been received. We must bear in mind that, if the farmers are not allowed to receive prices in keeping with the competition they have to meet, the production of farm products is bound to shrink. Our Nation cannot afford this and the United Nations cannot afford this.

It seems to me that the farmers' share in inflation appears to be out of all proportion to the attention paid to it. The entire national income last year, according to the Bureau of Agricultural Economics, amounted to \$92,397,000,000. Out of this, total wages and salaries amounted to more than two-thirds, or above \$64,000,000,000. The farmers' share was a net income of \$6,748,000,000, or slightly less than 8 percent. Nonfarm income increased \$12,000,000,000 over the previous year, and farm income increased only \$2,000,000,000. For this year it is estimated that wages and salaries will take another great jump to approximately \$75,000,000,000, and farm income may reach \$8,000,000,000. With \$75,000,000,000 in the hands of the wage and salary earners and \$8,000,000,000 in the hands of farmers, where is the great inflation threat?

The Kansas delegation has had several conferences during the past 10 days with

various governmental agencies in regard to the farm-labor problem. We have discussed this matter with Secretary of Agriculture Claude Wickard; Paul McNutt, Chairman of the Manpower Commission; Gen. Lewis B. Hershey, Director of the Selective Service; and Robert Patterson, Assistant Secretary of War. We have tried to present to them the serious problem confronting agriculture. Recent surveys in our State indicate that Selective Service has taken 52 percent of the young men from the farms. Industry has taken another 35 percent. Under these circumstances, it is very easy to see what is happening to farm production. One cannot blame the boys nor the farmers for leaving the farms and securing work in defense industries at higher wages and reduced hours.

The latest report from the Department of Labor for all manufacturing industries shows an average of 42.6 hours of labor per week. Few industries run as high as 54 to 57 hours a week, while some average as low as 27 hours a week. On the farm the labor average is from a minimum of 60 hours a week to a varying maximum of as high as 96. This makes an intolerable situation for farm labor.

In my opinion, action must be taken today by the House in order to assure necessary farm production.

(Mr. CARLSON was granted permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. GRANT].

Mr. GRANT of Alabama. Mr. Chairman, I rise in support of the Brown amendment, because I believe that it is just and right. Its adoption will not bring agriculture on a par or parity with industry but it will help bring about equality. Even if I believed that the farmers of the Nation were not entitled to any consideration I would support this amendment as a war measure if for no other reason.

We face a crisis in this Nation insofar as agriculture is concerned. I am not basing this statement upon something that I have read or heard rumored, but from an individual investigation, having recently spent several weeks in my district it gave me first-hand information.

I found that many farmers, both landowners and tenants, have left their farms for work in war industries. A majority of these in the southern part of my district have secured employment in the shipyards, where wages are high. Many landowners told me that they could not keep tenants and hired hands. You cannot blame them for leaving the farm to accept employment where hours are much shorter and pay many times over. The situation is growing more acute each day and by the fall of 1943 it will be disastrous unless something is done to keep farm workers on the farms.

The defeat of this amendment will hasten the day of drafting farm labor. There has been very little deferment of farm labor by local draft boards. This, coupled with the departure of others for work in war industries, means that part of the crops this year will not be gathered. Many farmers told me that by working night and day they would do

everything possible to gather this year's crop but that next year they would not attempt to farm.

I note that several days ago in addressing the American Legion convention, Donald Nelson, Chairman of the War Production Board, stated that there would be no food shortage in this country during the war. However, in the same paper, I noticed an article written by James Olds of the Times-Herald which stated:

Agriculture Department sources disclosed today that a system of rationing will be placed on dairy products within the next two months because of rapidly decreasing milk production—already insufficient to meet wartime demands.

The Agriculture Department blamed decreasing production of the dairy industry on farm-labor shortages, decline in favorable weather conditions, and the more profitable nature of farming outside dairy production.

Milk supplies available to civilian consumers for the present year, experts revealed, will fall almost 10 percent below last year's supply.

Officials explained that although milk production this year will run 8,000,000,000 pounds above last year, the fact that over 17,000,000,000 pounds of milk must go abroad for lend-lease and the armed forces will sharply curtail supplies.

The first step will be an allocation curtailment of milk to ice cream, butter, cheese, and other dairy products industries.

Before the middle of next summer, agriculture experts said shortages of labor in the dairy industry will probably have forced rationing of all milk and milk products.

They added that unless some method is devised to keep dairy labor on the farm, the milk shortage may become dangerous.

During the last year 50 percent of the dairy workers between the ages of 18 and 30 have left dairy farms either for the armed forces or for industry.

What is true in dairy farming is true with other types of farming.

Farm leaders and those who know the situation are alarmed over it. Something must be done.

No, the farmers of the Nation will not strike but unless some relief is given it will be impossible for them to carry on.

The farmers of the Nation are patriotic. They are willing to do more than their share, however the burden of war should be equalized insofar as possible upon all groups.

The enactment of this amendment will let the farmer "eat the crumbs" from the table. He does not ask for a seat at the table but we should not take the crumbs away from him. The life of the farmer at best is only a gamble. When he plants his crop he takes a gamble against the weather and all forms of pests which might destroy his crop. If he should have a good crop and a good price, it would be more than offset by the bad crops and low prices.

The high cost of living is not brought about by the prices that the farmer receives for his products. Those handling farm commodities, after they leave the farmer's hands, are chargeable with the increased cost to the consumer. The adoption of this amendment should not increase consumer prices. Everything that the farmer has to purchase has advanced in price. He cannot continue to exist under our present economic system unless he is given some relief.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I simply rise to say at this time that I shall support the Brown amendment. What I have to say with reference to this bill I extended yesterday in the Appendix of the RECORD. Here is something that I think the Members of this House ought to consider, and that is the pressure that they are under through propaganda agencies. The farmers who have spent their own money in telegraphing to you or in writing letters to you urging that the labor costs be made part of the definition of parity, have been severely condemned by the great propaganda agencies in the Government. I call attention to the fact that there are 2,895 full-time publicity agents in the employ of the Government at the present time, and that the cost of them to the Government is \$27,700,000 annually. Also, there are 31,516 part-time publicity agents whose cost to the taxpayers I have not ascertained. Every time that a piece of legislation comes here that is not favorable to the administration, the publicity and propaganda agency of the New Deal is wheeled into action and the product of the poison pens is directed at the public mind in an effort to bend your will and that of the public to their particular philosophy. With such a powerful array of propaganda agents at its command it comes with poor grace from the administration to criticize the farmers for sending telegrams at their own expense to their Representatives in an effort to protect their rights and to express their views with respect to pending legislation. I am for the farmers of this country.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. BOREN].

YOU SHALL NOT CRUCIFY THE AMERICAN FARMER

Mr. BOREN. Mr. Chairman, the farmers of our Nation are ready and willing to make any sacrifice necessary to win the war. The present threat of inflation has not been brought about by any increase in farm prices. Rather it has been retarded by the enormous increase in production which the farmers have voluntarily brought about. If you can imagine a stack of eggs reaching from the earth to the moon, if you can imagine a can of milk big enough to float the United States Navy, if you can imagine a beefsteak an inch thick big enough to pave a four-lane highway from New York to New Orleans, then you can visualize the increase in 1942 production over the average from 1935 to 1939, when we were farming as usual. The illustrations I have given represent not the total production but the increase in 1942 as a result of voluntary response on the part of the farmer to the President's plea for increased production.

The farmers ask no more than a fair price for the crops produced by their labor. With regard to the present law providing a ceiling of 110-percent parity price, it should be borne in mind that the minimum is only 85 percent of parity, and I feel that the maximum authorized should be some figure above parity in the

hope that fluctuations of the market would still permit the farmer to receive an average of parity price. Mr. Speaker, the farmers of America are not rolling in wealth or obtaining exorbitant profits. Certainly no fair-minded person can believe that the farmers, constituting 25 percent of the people of this Nation, receiving less than 10 percent of the national income, can be chargeable with responsibility for inflation. Mr. Speaker, the problem before us is a grave and vital problem. The proposal under consideration extends rigid price control upon the farmer and a wage control upon the laborer, with particular emphasis of the proposal being placed upon the farmer. With animosity toward none, with good will toward all, but with determination to stand boldly by my own conviction, I must stand opposed to making the farmer a victim of inequity and injustice.

Every general burden that must of necessity be shouldered by the people in America's war effort must be applied with impartial equality to all.

The same sound judgment that leads each American to realize the importance of liberty as compared to personal profit or selfish gain should direct the leaders of the people on a path of wisdom which would accept every essential service or sacrifice, but which would exact none without need and proper utility.

I do not accuse everyone of bad faith who preaches that the farmer's getting a big share of the Nation's wealth. Thousands of untruths are disseminated by honest stupidity and believed by innocent credulity. The 30,000,000 farmers of America are not causing inflation. It is preposterous to build upon the fallacy that the farmer is at this point the recipient of prices that endanger the public welfare.

Mr. Chairman, I am willing for the farmer to take his full share of the burdens of our war effort, but I want to stand between him and any proposal to cheat, crush, and crucify him. Let us take what action the facts warrant. Let us investigate and reach conclusions based upon the facts as they affect the farmer, the facts as they affect labor and as they affect the Nation as a whole. And then let us stand on those conclusions with determination.

At this moment the farmer is not only threatened with less than a cost price for his products, but he is denied the freedom to produce.

At this moment Government agents are compelling the farmers to curtail and cut down on production, though today the world in some of its parts feels the fright of famine and sees a dying child with pallid lips suck at the breasts of hunger's dead.

The American farmer deserves special consideration. In the chainless liberty of his thought rests the freedom of America and the hope of the world. He gave liberty to America. He knows what it means to call America a free land and the land of the free. He has been the hero of every battle for the rights of man that the world has ever known. He has written every bill of rights. He is the minute man of liberty and you shall not pick him out for special penalties in a land sorely

beset by all the forces of ruthless selfishness. I for one take my place to stand beside the farmer, opposed, if it need be, to the pressure of organized power that threatens to make the farmer the victim of special concessions that result in tagging him with special penalties.

The farmer, more than any other American, has felt many times the crushing weight of the historic fallacy that man is the creature of government. Today the American farmer is the pawn of the so-called agriculture program. He is scourged by the whip of compulsion, regulated, penalized, told when and what and how much to plant and reap and sow. Tied like a serf to the land through the quotas.

Throughout history the little farmer has been robbed and plundered; throughout our history he has been beset by false friends, and in this proposal he is betrayed again.

There is no record to compare with the record of service that the American farmer has made for the welfare of the American Nation. From the day of our Nation's birth up to this very day and hour, not one single page, not one single line of American history records a single instance where the American farmer acted in divergence with his Nation's interest. Not one word has or can be written of blame for the American farmer, but the volumes that could and should be written in his praise could be stacked as mountains.

There is no other with a record of loyalty to compare with his. There is no record of unselfish devotion that is comparable, and in this crisis the American farmer has extended his hand to Uncle Sam with an offer of any sacrifice essential to our cause.

If the circumstances that lead to this discussion and debate compel us to see a difference by group or class, I defy you to find any other that you can look upon with such certain reliance in his unselfishness, loyalty, and devotion. I have implicit faith in the character and wisdom of the farmer. I have implicit confidence in his unselfishness. The farmer's lack of organization must not result in a denial of justice to him.

Because the American farmer has not raised a vociferous cry of threats of reprisals at elections is no reason to penalize him.

Because the American farmer does not seek or obtain time and a half for overtime does not justify taking all wages from him.

Because the American farmer has not set up a picket line against production is no reason why you should crucify him.

To say that the American farmer is the beneficiary of exorbitant prices even at this hour is a lie that is mocked by the grim and tragic presence of want and misery on the farm.

I want for every farmer what I want for myself and all mankind—security, the certain knowledge that life and opportunity await the hopeful, loving, tender souls for whom you toil.

You want security. You want to be sure that you and yours will never be hungry, ill clad, poorly housed, or denied medical treatment. You want to be sure

that hunger, scarcity, and want shall never be the lot of the child whose cradle you watch with infinite love and tender care. That is what it will take to drive from your heart the phantom of fear.

Were you ever hungry? Do you know what it means to be cold? Did you ever face the rain and the chill without a coat because you had no coat? Did you ever sit down to a table without enough food to satisfy the hunger of your helpless children? Did you ever see winter come without clothes and shelter sufficient to insure the health and safety of your family? If you have never had any of these experiences, you have not lived the life of the average farmer, the tenant farmer.

The American people are faced with the gravest problems that can confront a nation devoted to principles of liberty. The welfare of America and the future of the world will be decided largely by the course pursued by the United States during this crisis.

The preservation of democracy demands a well-informed direction of the war effort. It demands the subjugation of all other interests to the supreme interest of victory. Victory is the first axiom of service to our general welfare.

I conceive it to be every man's obligation to do at this hour and every hour that which will best serve the war effort. As a nation and as individuals we must rearrange our plans, accept personal sacrifice, and lay aside all thoughts of serving any interest other than the paramount one of serving our Nation's war effort.

Every citizen must realize the truth that democracy depends upon his individual selfless effort and determination.

We will win this war because we believe and have faith in democracy.

Mr. Chairman, when the first price control bill came before Congress I was one of the advocates of over-all legislation. I stated in the debate that I would support a universal price control bill but that I did not believe piece-meal price control programs were either workable or just. Price control legislation in my opinion must cover everything. I do not believe it is either practical or just to fix the wages of the merchant and the farmer unless you also fix the wages of the laborer, the manufacturer, and so forth.

Every time price control proposals have come before Congress I have taken the position of being for price control that would be universal in its application. I earnestly believe that the only fair freeze order will be one that will cover the entire nation like a blanket. I have been a constant advocate of such over-all legislation, but the leadership has been unwilling to have over-all legislation. They have taken the position that labor should be exempted.

I am willing today or any day to vote for universal price control, but I do not believe it is just to fix the farmer's wages and leave other wages uncontrolled. I am unwilling to bind and chain the farmer with profiteering contractors and industrialists and racketeers on labor having freedom and license for the practice of unlimited ruthless selfishness.

I personally do not know any farmers who are rolling in wealth or obtaining exorbitant profits. Farmers as a class have made no record that shames the country. The farmer has not struck against the Government with Government connivance and support. He has not refused to provide food for our soldiers and our allies. The farmer has done his job without a slow-down or a sit-down. And he has not organized a racketeering grasp for profits and for power.

When one group is required to sacrifice, the same requirement should be made of all others. We must adopt a policy of uniformity of treatment for all. This I am ready to do, but if the wages of the farmer and the merchant are to be frozen, then I see no justification for exempting any other group or class. I do not believe in privileged classes. We all are ready to adopt whatever measure of sacrifice is essential to victory. But I for one will not be a party to putting the chains of sacrifice on the farmer while granting privilege and exemption to special classes. If sacrifices there must be, then let it be on the basis of democracy, share and share alike, for each and all.

(Mr. BOREN was granted permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. HULL].

Mr. HULL. Mr. Chairman, I rise to say that I am heartily in support of the Brown amendment and that I am strongly opposed to the Wolcott amendment.

I call attention in particular to a statement of the President in his message in which he says:

Even more important is the psychological effect of such unfair privilege. It provides fuel for fires of resentment against farmers as a favored class.

Mr. Chairman, it seems to me that if there is any psychological effect as to the farmers in this country, it ought to be heartily in their favor. They have broken all records in increasing production, notwithstanding shortage of farm help, lack of equipment, and steadily increasing costs. When the dairymen were asked to increase the Nation's supply of cheese, a year ago, they met the demand. They increased the output by 50 percent. And so with all other dairy products.

They have met every test. A million of farm boys have been drawn into our armed forces. Another million farmers' sons have answered the Government call for labor in defense industries. Their response has been 100 percent to every call. Why then should there be fires of resentment against farmers as a favored class? They comprise 25 percent of the population and receive less than 10 percent of the national income. Why should there be criticism when they ask for justice?

I hope, Mr. Chairman, that the Brown amendment will be adopted. On page 5 of the printed message of the President, he says:

Calculations of parity must include all costs of production including the cost of labor.

Will anybody deny that the farmer is justly entitled to that much?

I ask unanimous consent to extend my remarks.

The CHAIRMAN. Is there objection? There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. ALLEN].

Mr. ALLEN of Louisiana. Mr. Chairman, I rise in support of the Brown amendment. Like the other Members, I went home during the recess of the House and I spent most of my time going over the District and talking with the people. I saw the farmers trying to farm short-handed. Farmers told me that they would have great difficulty in harvesting the crop made this year, and that next year many of them would be compelled to reduce their crop because of lack of farm labor.

The Brown amendment simply does one thing. It seeks to include farm labor in the definition of parity. There is not a business in the country which does not include labor in the cost of production. The manufacturer includes labor in the price that he gets for his product. The seller includes labor in fixing the price for which he sells goods. The farmer is a producer. He produces the vital necessities of life. It is ridiculous and absurd to contend that the labor of the farmer should not be included in calculating the price which the farmer should receive for his product. Those who oppose the Brown amendment are placed in the awkward position of saying to the farmer that his labor should not be taken into consideration in fixing the price of his product.

I want to say to you Members representing the industrial centers and large cities that the farms are now being depleted of the young men who are going into the armed services, and when you do not want to pay the farmer a price for his product in line with the price of the labor that goes into that farm product, you thereby strangle the farmer and you make it impossible for him to produce the food and fiber to win the war. We have hundreds of thousands of our fine young men fighting in the different parts of the world, and our farmers have to produce the foodstuff to feed them and the fiber to clothe them. How are they going to do it when you deny the farmer a price for his product that will justify his hiring the labor to produce it? I say to you that your position in this matter is short-sighted. When the price the farmer receives for his product will not justify his hiring labor to produce that product, then the result is scarcity and want. And you people in the cities will find that you will not be able to buy the farm products. It is suicidal for this Nation today to place the farmer in a position where he cannot produce the things which are necessary to preserve this Nation in this trying time. I say to you that we must produce more and more. We must not only feed ourselves, but we must be prepared to supply a great portion to our Allies.

The point has been made here today on this floor, I am sorry to say, that the labor of the farmer and his family should

not be taken into consideration because it is not hired labor. Throughout the Farm Belt fathers and mothers, and sometimes widowed mothers, have seen the last son march away to war and no one is left to work the farm but the old father and mother. I say to you it is cruel to contend that people like that who have given their all for this country should be denied the right to have their own labor taken into consideration in fixing the price of the product which they make on the farm. Not only is this my conviction, but it was the definite conviction of President Roosevelt when he sent his message to Congress just a few days ago, September 7, wherein he said "calculations of parity must include all costs of production including the cost of labor." The President was right when he made that statement. The Brown amendment seeks to do just that. The farmer wants parity for his product and he wants the cost of labor included in that just as the President pointed out. Any other course will be bad for the farmer. Failure to do that will hinder the production of vital farm products in this country. In the interest of national defense and in order to provide this Nation with the products which it must have to win this war, I urge the adoption of the Brown amendment so that the labor of the farmer might be taken into consideration.

The CHAIRMAN. The time of the gentleman from Louisiana has expired. The gentleman from Nebraska [Mr. STEFAN] is recognized.

(By unanimous consent, Mr. STEFAN was granted permission to extend his own remarks at this point.)

Mr. STEFAN. Mr. Chairman, I did not intend to speak at length on this very important price-control bill. But due to the fact that I have just returned recently from the Third District of Nebraska and because I have talked to so many farmers there, I believe it proper that I add a little to this debate. First, I wish to state that the people in the Third District of Nebraska are among the most patriotic people in our country. They want us to win this war in the least amount of time with the least number of casualties. The people in the Third District of Nebraska are among the first in bond purchases; among the first in the collection of scrap iron and are determined that we become united and win this war.

The farmers in the Third District of Nebraska are interested in this price-control bill. I have not heard them complaining about prices. But many of them have told me that if we are going to fix ceilings on farm prices we should also fix ceilings on wages and profits. All they want is to be given the same kind of treatment that is given to other people of our land. They want and welcome the opportunity to take an active part in winning of this war.

The people in the Third District of Nebraska have contributed much toward helping in this crisis and they know that they will be called upon to contribute more and also that they will be faced

with further sacrifices. They believe, however, that these sacrifices must be shouldered by all Americans alike.

The bill before us is said to be a sort of price-control measure which will in some measure curb or curtail inflation. Yet some of the experts on banking and money in this House tell us that the passage of this legislation in itself will not stop inflation. Most of the bill contains language which indicates that some curb must be put on farm prices and some of the statements made in debate would indicate that the farmer may be blamed for the threat of inflation. In my humble opinion the farmer has nothing to do with inflation. We have 32,000,000 farm people in our land; we have 7,000,000 farms; the farmer represents about 23 percent of our entire population. Yet the farmer gets only about 10 percent of our national income. Then how can the farmer be blamed for inflation?

As I have explained, Mr. Chairman, I have just come back to Washington only recently after visiting nearly every one of the 24 counties which comprise the Third Congressional District of Nebraska. I have visited many of the farms. I have found that many of the young men have gone into the service; many others have gone into industrial plants where they are earning large salaries. I have found older men, women, and children running the farms. Even in the towns I have found a labor shortage because skilled men have left the communities and have gone to the defense plants to earn higher wages. I have talked to scores of farmers and their wives about their farming operations. Many of them are parents of young men who are fighting in far-away lands. These farmers are worried about the farm-labor shortage. They have asked me who will operate the farms if all of the men are taken away. Immediately upon my return to Washington I visited the Director of the War Manpower Commission. I told him the story of the farm labor situation. I also have discussed this matter with heads of other departments. All of them have agreed with me that the situation is serious. Everyone in authority in Washington agrees with me that food is as necessary as guns in the winning of this war.

Some of these officials have indicated to me that they do not have an immediate solution. Some of them believe that this Congress must pass new legislation along the lines of universal service before the problem can be solved because there is so much dislocation of labor, because there is pirating of labor in industry, and because attractive jobs are tempting the man who usually works on the farm.

But the farmer and his wife and the children who remain on the farm are worried in order that the food and fibers which we are asking them to produce will not be harvested. They believe that something should be done at once to relieve a situation which is critical now. They fear that perhaps some farms will not be operated and that the food our Army and Navy and our Allies are demanding of them will not be forthcoming. I hope that in considering farm

legislation that we emphasize the plight of the farmer and the farm wife in this hour of crisis, that we solve this farm labor problem at once in order to assure our men in arms and our Allies of a steady flow of food and clothing.

Now regarding this price control bill before us I feel that our farmers are interested only insofar as equality is concerned. If you look at section 4 of the bill you will find provisions there which in my opinion freeze the 40-hour week and the time and a half for overtime and many other gains which have been made by labor.

In other sections you will find considerable about putting ceilings on farm commodities. I feel it proper to support any amendment that will allow the Secretary of Agriculture to take into consideration the labor costs of the farmer in computing parity prices, but in view of the fear I have that farm prices may be beaten down and that no consideration may be given to the wage spirals I am constrained again to offer my amendment for the average cost of production plus a fair profit for the farmer. I feel that would at least put the farmer on an equality with labor and industry. I will offer the amendment at the proper time and instead of taking your valuable time now I shall explain the amendment briefly when I take the floor for that purpose.

The CHAIRMAN. The gentleman from Idaho [Mr. DWORSHAK] is recognized.

Mr. DWORSHAK. Mr. Chairman, it may be inconsequential what is said in defense of the farmers on this floor under this gag rule which has been invoked to shut off debate, but I say to you it will be significant what will be said and done by the American farmers when they go to the polls to vote on November 3.

I am in favor of the Brown amendment because I sincerely believe that the production of foodstuffs is just as vital in the winning of this war as is the production of tanks, planes, ships, and other munitions and implements. I believe that the farmers of this country are entitled to equitable treatment and not maladministration of the various laws under the supervision of the Department of Agriculture and other executive departments.

The Government has competed with agriculture by setting high wage scales in war industries and on construction projects, so that farm labor is an acute problem. How can producers meet the food requirements and insure maximum production if competition instead of co-operation is the general policy of this administration?

In Idaho today are thousands of farmers producing dairy and livestock products, sugar beets, potatoes, and other commodities so essential for the armed forces and the civilian population. Equitable and sympathetic treatment must be accorded to these citizens, so that they will not be the victims of economic injustice, nor retard unwittingly our war effort.

I have received numerous appeals from these farmers relative to the criti-

cal situation confronting the Nation, and present at this time the following typical telegrams:

DAIRY FARMERS SELLING STOCK

CALDWELL, IDAHO, September 21, 1942.

Hon. HENRY DWORSHAK,

Member of Congress:

Dairy farmers devoting overtime hours to the production of food products as essential to winning the war as production of other war necessities keenly resent the attempt being made to shift the burden of high commodity prices and inflation from war and industrial labor, where it properly rests, to agriculture. Any casual visitor to the 5,000 members of this creamery would observe that the dairy farmer has been able to keep up his production only by reason of the willingness of himself and his family to work long hours in order to replace in part the loss of hired help attracted to war industries by higher wages, shorter hours, and easier work. The dairy farmer cannot compete in the labor market with the war industries and cannot secure the help he requires to care for his production. Price fixing of farm products must be accompanied by action regarding wages, or farm production increases will stop and inflation will go further unchecked. We earnestly urge you to support any legislation which will establish both farm prices and wages at definite and equitable levels, taking into consideration the increased cost of farm labor in setting any level for agricultural prices. The farmer does not ask for more and will not be satisfied with less.

DAIRYMEN'S COOPERATIVE CREAMERY
OF BOISE VALLEY.

BOISE, IDAHO, September 22, 1942.

HENRY DWORSHAK,

House Office Building,
Washington, D. C.:

Idaho Cooperative Council urges you support legislation which will include all farm labor costs in determining price ceiling on farm products. Farm labor situation in Idaho becoming increasingly acute. Without prices for farm products at levels enabling farmers to pay increasing costs and hold farm labor it is certain that agricultural productions will be adversely affected.

IDAHO COOPERATIVE COUNCIL,
ALBERT H. JAGELS, President.

IDAHO FALLS, IDAHO, September 23, 1942.

Hon. Representative HENRY DWORSHAK,

Washington, D. C.:

With heavy demand on farm labor for armed forces and war industries in many cases now farmers are having to pay more than competing wages to get help. Conditions are critical and rapidly getting worse. Unless definite action taken by Congress to include our present wage scale into price ceiling consideration on farm products, our military forces and entire civilian population most certainly going to face serious and critical food shortage, especially farm crops, next year. Please insist on balanced labor and price schedule. We favor amendment to Senate price ceiling resolution introduced by Senators THOMAS of Oklahoma and HATCH of New Mexico, which provided for inclusion of all farm labor in parity determination for price-ceiling purposes.

F. L. HANSEN,
Idaho Potato Growers.

CALDWELL, IDAHO, September 23, 1942.

Hon. HENRY DWORSHAK,

United States Representative,
Washington, D. C.:

Resolved by board of directors of Cooperative Oil Association, representing 7,000 farm members, That parity farm price must allow for increased labor cost. Serious food shortage certain. Manpower being drained to war

industry. Maximum production best defense against inflation. Insist Congress itself set wage ceilings concurrently with farm ceilings.

C. W. MONLUX, President.

[Here the gavel fell.]

[Mr. LUTHER A. JOHNSON addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The gentleman from Missouri [Mr. BENNETT] is recognized.

[By unanimous consent, Mr. BENNETT was granted permission to revise and extend his remarks.]

SHALL WE FORCE RATIONING OF FOOD?

Mr. BENNETT. Mr. Chairman, I asked for this bit of time because I want to add a few words in support of the Brown amendment.

I voted against the price control bill which was approved last January. It was my contention then and it is my belief now that no such legislation can be successful unless it is fair and general in its application.

The bill as reported to the House is not fair to agriculture. Prices paid to farmers never have and never will bring dangerous inflation. The administration is simply trying to make the farmer a scapegoat for its failure.

Farmers are entitled to parity, and there can be no honest farm parity that does not cover the following: Reasonable percent on investment in land and equipment; also taxes, insurance, fertilizer, and labor.

The President was correct in saying that some farm prices are above parity. However, he neglected to say that wheat, corn, oats, barely, rye, cotton, hay, apples, turkeys, and sheep are selling far below parity.

The administration does not seem to understand that there could be a shortage of food in this country.

Mr. Chairman, I am disturbed by the number of farm sales. Every Member here who represents an agricultural district will agree that he has never known of so many farm auction sales and this in spite of fair prices on most farm products. Several small-town newspapers come to my desk each week. From last week's issue of such papers I have clipped the 28 advertisements which I hold in my hand. I note that 3 say they are selling because they have been drafted and 3 others because they cannot get necessary help. Others neglect to give reason for selling all their personal property at auction.

L. C. Pratt, Appleton City, Mo., who cannot get help, is selling all equipment, 68 head of livestock, poultry, and so forth.

Fay R. Herman, Butler, Mo., called to military service, is selling 42 head of stock and all equipment.

Toodles Glassmire, Butler, Mo., called to military service, is selling 123 head of livestock and all equipment.

Bernard Castel, Lamar, Mo., is selling 28 head of stock, all farm machinery and equipment, household goods, 400 chickens, 1,345 bushels of grain, and so forth.

Shandy Stewart, Lowry City, Mo., is quitting the farm and will sell 165 head of livestock and all farm equipment.

Mr. Chairman, it will be noted that many men who have been doing extensive farming are quitting. What is taking place in my district can be multiplied many times over the Nation. The situation is alarming. Unless the ceiling on the price of farm products is placed high enough to make farming attractive tens of thousands of farms will not be cultivated next year, and this Nation, the greatest agricultural country on earth, will have a food shortage and food rationing. I know that Congress cannot repeal the law of supply and demand, but if we act wisely we can keep enough men on farms to provide food which is as necessary as guns in these critical days.

Mr. Chairman, I know of no good reason why anybody should oppose adoption of this amendment unless it be the auctioneers of the country. They are more prosperous and busy than ever before.

[Mr. HARE addressed the Committee. His remarks will appear hereafter in the Appendix.]

[Mr. MOTT addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The gentleman from Oklahoma [Mr. RIZLEY] is recognized.

(By unanimous consent, Mr. RIZLEY was granted permission to revise and extend his remarks.)

Mr. RIZLEY. Mr. Chairman, of course, I shall support the Brown amendment. For several months a program of propaganda has been going on to intimidate and coerce the American farmer, by stigmatizing him throughout the country as being unpatriotic, having no interest in winning the war, and taking advantage of the war to feather his own nest by charging exorbitant and unconscionable prices for his products.

The people of this country through certain sections of the press, certain radio commentators, and by various other means, have been told that the high cost of living is almost entirely chargeable to the tillers of the soil and that they are the chief sinners contributing toward inflationary trends. The housewife in the city is ready to believe that because she has to pay 60 cents per dozen for eggs and 60 cents per pound for butter in the retail stores, and that because numerous other articles of food have correspondingly advanced in price, that the producer is at fault and the chief cause of the spiraling costs of her household.

No greater falsehood has ever been fostered and used to accomplish the purpose of those who seem to be endeavoring to crush down upon the tillers of the soil the bonds of peonage and the shackles of peasantry. Anyone who knows anything about the facts at all, knows that the retail prices of the articles I have referred to—and many others—are about double what the farmer himself actually receives.

Since the President's Labor Day address, at which time he delivered his ultimatum to the Congress, that new leg-

islation curbing farm prices must be enacted by the first of October "or else," succession of events makes it apparent that the real purpose of the so-called attack on inflationary tendencies was designed to provide a strait jacket for the farmer, with the fixed and absolute direction by law as to ceilings for farm prices, and leaving wages and other factors which necessarily enter into inflation, a mere matter of administration whim.

This pending bill in its present form—if the Members of the Banking and Currency Committee know what they are talking about—will bring about immediate increase of several billion dollars in wages, estimated by some to be as much as six and one-half or seven billions under the provisions of paragraph 4 of the bill, and in addition thereto the same paragraph of the bill freezes the working week of the industrial laborer at 40 hours.

Obviously, increasing the spending capacity of a select group by six or seven billions of dollars, can have but one effect—and that would be to aid inflation, at least temporarily.

The immediate wage increase of six or seven billions of dollars contemplated by this bill, will give to a spending public approximately one-half of the total farm income for 1 year. Thus illustrating the ridiculous situation of pointing to the producers as the causes of inflation.

The farm situation is indeed becoming critical. Shortage of labor and increased labor costs may well mean a shortage of production even next year. In many sections of the country now food and fiber are rotting in the fields, adequate help cannot be had for the farm; and still it is being insisted here that labor costs must not be figured in the formula for fixing parity prices for the farmer's products—not even hired labor—and yet, some are still talking about the equality of sacrifice. What a mockery.

It is high time that some of this attempt to fool the public concerning the real threats toward uncontrolled inflation be unmasked and the real facts disclosed.

Think of it, the farmers although constituting about one-fifth of the Nation's population receiving about one-tenth of the estimated entire income.

The threats of uncontrolled inflation are coming from the huge earnings of those getting the billion-dollar defense contracts and the huge salaries being paid. They, of course, are willing to pay the high prices, and the processors of food and fiber do not hesitate to let them do so.

It will be recalled by all who had any part in agricultural affairs during the First World War, that within a few days after President Wilson's memorable address and message to the Congress and the resultant declaration of war, there came the slogan "Food will win the war." This was heard everywhere, and the whole country was placarded with huge billboards and other means of advertising, heralding to the world that food and fiber were our first line of defense; and it is interesting to remember that then, as well as now, the Allies, business, and labor, and consumer wanted a low price fixed

for agricultural commodities. Today, as then, business and labor want increased prices for their goods and services—witness the strikes for high wages, and the tremendous increase in the cost of things which business and industry have to sell—and yet the farmer who must pay these increased prices for what he buys and for the labor that he must employ, is told that he must not consider labor costs in the parity formula that is to be used as a yardstick in administering this bill.

Today, neither the press, the public, nor anyone else seems to be very much concerned about the farmer's place in this war program. As a matter of fact, the farmer and the farmer's son in being classified by the selective service in many sections of the country are being placed in classification 3-A, which is defined and described as being nonessential.

We are spending untold billions—and necessarily so—for battleships, tanks, airplanes, bombers, and all other instruments of modern warfare—yet no one seems to be much concerned about the place the farmer is to have in the program. I am afraid that much of this is due to the fact that because of the huge so-called surpluses of wheat, cotton, and some other commodities, everyone thinks America has an abundance of foodstuffs to feed the world indefinitely.

But we must not forget that starvation has always been considered the most effective weapon used in war, and right now, as has always been the case in every war in the past, it is again being used. Literally hundreds of millions of people are suffering gnawing pains of hunger and want. We hear a lot about mass production, and we believe it is necessary; but after all, there will be no mass production unless there is plenty to eat.

The Army must now, as always, march on its stomach, and our soldiers are fed even though citizens are in want.

I predict that if agriculture is not reckoned with and protected in this huge war program, more quickly than many of us now realize, there will be a rude awakening for those who think agriculture is not important in this program. While today we seemingly have an abundance of many things that the farmer produces, yet how quickly this condition may change. One bad crop would absorb all of our so-called surpluses.

The world will never forget how the American farmer came to its rescue during the closing years of the last World War. Food was the crying demand, and the farmer produced it. With less help and equipment, he increased his production and answered every call of a hungry world. He did not strike and refuse to plant or harvest; he did not hoard his products and say, "You must pay me unreasonable prices or I refuse to sell." He answered the appeal to patriotism, and he will do so again; but he is entitled to a square deal and fair treatment.

The CHAIRMAN. The gentleman from Iowa [Mr. JENSEN] is recognized.

Mr. JENSEN. Mr. Chairman, I rise in support of the Brown amendment for the reason that I believe in 100 percent parity for the farmer and because it will aid in our food-for-freedom program.

In computing farm parities heretofore we have been calling 88-percent parity 100-percent parity, because the cost of farm labor and the farm family compensation amounting to 12 percent has not been taken into account. So in putting it in a little different way than the Brown amendment, I would say that we are not asking for 112 percent of parity for the farmer, but we are simply asking for 100 percent. If we use the present method of computing 100-percent parity for the farmer as only 88 percent, which in reality it is and nothing else, and then add the 12 percent to that for the cost of farm help and family compensation, we will correctly define 100 percent of parity, to which we all agree the farmer is entitled. For that reason I am going to support the Brown amendment.

(By unanimous consent, Mr. JENSEN was granted permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Massachusetts [Mr. McCORMACK] is recognized.

Mr. McCORMACK. Mr. Chairman, my Republican friends in the House yesterday adopted a 10-point declaration, of which point No. 5 reads as follows:

Standing unreservedly for every effort to make this Nation strong, vigilant, and vigorous against all its enemies, both foreign and domestic, the Republican Party has given and will continue to give to the President loyal, whole-hearted, and patriotic support in the war. The gravity of the war situation requires the undivided effort of everyone.

It will be very interesting in a few minutes to note whether or not the statement of policy of the Republican Members of yesterday becomes the action of today.

Much has been said about the farmer and the problem of labor. I believe every one of us not only sympathizes with the farmer but is willing to do everything within his power to help him. Certainly the adoption of the Brown amendment is not going to solve that question. It may be that I am wrong, having no farmers in my district, but as in the past, in relation to farm legislation, trying to contribute as I have, the thought has entered my mind that the immediate problem confronting the farmer is the harvesting of his farm crops, whatever the crops may be. It seems to me that if those representing farm districts—and I join with them—would take up with the Government, with the President, or with some agency of the Government the question of having men assigned to the farms in this emergency to help the farmers, because it is a national problem, that much good would be done in meeting the situation that immediately confronts the farmer. Perhaps this observation is of no value, coming as it does from one who on farm matters is strictly a layman representing a city district; but it seems to me it is a question of manpower, that something might be done by giving deferment to young men on the farm who have not been called into the service through the Selective Service Act, or, if necessary, through the use of some of the men now in the Army, or by the utilization of civilian manpower through some Federal

agency acting in coordination with other agencies. Without regard to what happens to the pending amendments, that question still exists. How it is going to be solved I do not know, but I make these suggestions, because every argument made on the floor based on the proposition that we should conserve the farm production is very true. More action must be had, but certainly the adoption of this amendment is not going to meet that problem.

It is unfortunate that debate on this bill has deteriorated into a question of the farmer; it is unfortunate that the only issue involved is the farmer. I think those who represent farm districts have done the farmer an injustice by making just one cry in this debate: The farmer. The farmer is a loyal American citizen and certainly, if this bill is altered in such manner that the President will have to veto it, it would be a sad reflection upon the whole farm population of this country. If the impression—the erroneous impression—went out that the farmers are profiteering class No. 1, I shall resent it and I shall challenge that statement, but if we pass a bill that includes the 90-percent loans with a 3-year carry-over and the Brown amendment, such an impression undoubtedly will exist in the minds of many people throughout the country.

I speak as an American citizen; I speak as one not necessarily a Member of Congress, just as if I were back in Boston and never had been a Member of Congress but just an humble American citizen practicing law. In wartime I would look to the President of the United States, no matter who that President might be, or whether he was of the same political party as I, when my country is in peril. When my country is in peril I have got to look to the President of the United States. Thank God, in every great crisis of our country's history our country has been given a great leader, a great President to lead our country to safety and steer the Ship of State to safety. There is the immortal Washington; without Washington it is fair to say there is doubt whether our country would have survived in its infant days, but his steadfast faith in the principles of representative government and his unswerving leadership set her firmly on the right path and in the right direction. In the War between the States we had the immortal Lincoln, who stood steadfast in all the trials of those dark days and withstood the criticism heaped upon him not from the South but from the North. I believe it is not too much to say that had we not had Lincoln to guide the Ship of State in those perilous times the War between the States might have resulted differently. Today we fortunately have another great leader, and we all thank God that we have. In every great crisis our country has been led by men of vision and courage. When war visits our country the President of the United States, whoever he is, must be a strong man. If we have a weak man our country faces danger from within when our country is engaged in war. Every thinking American must give faith and credit to the President of the United States. The Republicans spoke yester-

day in their meeting. I am wondering what their action will be today.

Certainly, it is fair to assume that the President will not sign a bill which raises parity to 112 percent when parity under existing law is 110 percent and he had recommended its repeal. Certainly, if the bill is so modified that the President must veto it, it will reflect no credit upon the Congress of the United States in wartime when we should have complete cooperation and coordination between the legislative and executive branches. This branch has cooperated to date. We do not want to put ourselves in the position of challenging the President. If the bill is passed with the Brown amendment and with the 90-percent loan with the 3-year carry-over, unquestionably the bill will be vetoed and the President, as Commander in Chief, will act, as he should, by Executive order.

I hope the Brown amendment will be defeated. I am personally going to vote for the substitute offered by the gentleman from Michigan [Mr. Wolcott].

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Missouri [Mr. WILLIAMS] is recognized.

Mr. WILLIAMS. Mr. Chairman, coming as I do from one of the great farm sections of this Nation, I am in deep sympathy with the problem confronting the farmer, and I believe I know what it is. Farm workers are leaving and are being taken from the farms. Farm labor is becoming scarce at a time when there is a demand for increased agricultural production. There is no question but what the situation is serious, but I am thoroughly convinced that the Brown amendment, if enacted and put into operation, would not keep or place a single additional man on the farms of this country. If I thought it would do so, I certainly would favor it.

Considerable has been said here about the message of the President and about the President's recommending that farm labor be included in the parity formula.

There is certainly a great misunderstanding about that. Here are his positive, definite words:

In computing parity, we should continue to use the computations of the Bureau of Agricultural Economics made under the law as it stands today.

The present computations do not take into account the element contained in the amendment. The amendment is directly opposed to the recommendation of the President.

Mr. Chairman, we are trying to pass an anti-inflation bill. We are trying to check the rising cost of living. Two great committees, one of this House and one of the Senate, after hearings, have reported a bill which attempts to help in that effort. Still if we adopt the Brown amendment, we have raised the level at which the maximum prices may be placed instead of lowering it. We are asked to reduce the 110 percent parity in the present law to 100 percent on the one hand and on the other hand, if the Brown amendment is adopted, the parity is raised to 112 percent. That kind of action simply does not make any sense at all. If instead of lowering the price of living we make it possible to increase the

cost of living, how can this be an anti-inflation bill?

Why are we here? What are we talking about? If we are going to enact legislation that will try to reduce the cost of living, why reduce this parity level from 110 percent where it is now and then immediately adopt an amendment to the bill raising it higher than it is now?

This bill places the responsibility upon the President. It is an administrative matter. We as the Congress can lay down only broad, general standards and that is what we have done in this bill. The bill simply gives him the authority in some measure to check the rising cost of living. I am for the Wolcott substitute because that substitute gives him the authority to change the parity formula and include farm-labor costs if it becomes necessary in order to increase production or to iron out inequities.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The question is on the substitute offered by the gentleman from Michigan [Mr. Wolcott], for the amendment offered by the gentleman from Georgia [Mr. Brown.]

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 111, noes 147.

Mr. WOLCOTT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. Wolcott and Mr. Steagall to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 128, noes 174.

So the substitute was rejected.

Mr. DIRKSEN. Mr. Chairman, I offer a substitute for the Brown amendment, which is on the Clerk's desk.

The Clerk read as follows:

Substitute offered for the Brown amendment by Mr. DIRKSEN: Page 3, line 14, insert "Provided further, That for the purposes of this act parity price for basic crops and comparable prices for nonbasic crops shall be the parity price as now computed by the Bureau of Agricultural Economics under existing law, plus such amount as is necessary to compensate for the increase in the rates of hired agricultural labor over that of the base period used in computing parity prices."

Mr. DIRKSEN. Mr. Chairman, lengthy discussion of this matter is scarcely necessary. It has been pretty well demonstrated to the Committee this afternoon that there is a real shortage of farm labor, that farmers are having difficulty, that the price of farm labor is going up, and that somewhere along the line provision ought to be made in the interest of continued production. May I observe with respect to the remarks of our distinguished majority leader that I conceive it as a patriotic duty, I conceive it as a function, to uphold the hands of the President, to advise him whenever I can of conditions that prevail in the country whereby the production and distribution of food might fall short unless this Congress takes restraining or remedial action.

The difference between my substitute and the Brown amendment is this: The Brown amendment will include all farm

labor, including family labor, and will bring the price up to 112 percent of parity. The substitute provides only for calculating the increases in hired agricultural labor and would bring the rise to about 104 percent plus of parity. I think that is acceptable. In three different sections of this bill you will find the phraseology "to adjust for gross inequity." It has been clearly demonstrated that the farm labor situation is an inequity today and rather than reposit it in the discretion of the President, why not cure it now by making provision for the increased cost of hired labor? That is the issue as we vote on the substitute.

[Here the gavel fell.]

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. Dirksen) there were—ayes 107, noes 158.

So the substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Georgia [Mr. Brown].

The question was taken; and on a division (demanded by Mr. Crawford) there were—ayes 163, noes 105.

So the amendment was agreed to.

Mr. SPENCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: On page 3, strike out lines 1 to 4, inclusive, and insert in lieu thereof the following:

"(2) The highest price received by the producers for such commodity from January 1, 1942, to September 15, 1942, inclusive (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use."

Mr. SPENCE. Mr. Chairman, I rise to support the amendment.

It is a fundamental principle of law that all who are similarly situated should be treated in substantially the same manner. Certainly there is no reason for placing ceilings upon the burley tobacco market for the year 1942 when other tobacco markets are exempt from similar ceilings. Because of conditions over which the farmer has no control but which are entirely natural and seasonal, the burley tobacco, which should bring and does ordinarily bring as high price as any other type of tobacco with exception of cigar wrapper, is marketed after other types of tobacco. There is no market for the burley 1942 crop between January 1, 1942, and September 1, 1942. It is true there was some burley sold in January and February 1942, but that was the 1941 crop. All we ask and all the pending amendment provides for is to have the 1942 burley placed upon the same basis as the other types of 1942 tobacco.

The President has been given power under the bill to correct gross inequities, gross inequities that might arise after the administration comes into the Presi-

dent's hands. We are asking Congress to correct a gross inequity that has arisen and come to our observation while we are considering the bill. Certainly, we should not rely upon any administrative body to correct an obvious gross inequity which has made itself apparent to the Congress.

Tobacco should be given peculiarly favorable consideration by the Congress because in peacetimes tobacco has been one of the great sources of revenue of our Government. The tax on tobacco has yielded over \$700,000,000 per year. The Government has received in taxes many times as much as the farmer has received for his product. To give the burley farmer the opportunity to obtain upon the market what this year's crop will bring, even if a price commensurate with the price of other types of tobacco sold this year should raise the price to 40 cents, would not increase the cost to the consumer. One thousand cigarettes can be manufactured from 3 pounds of tobacco which would make 50 packages of cigarettes. The farmer, for these 3 pounds, would, at 30 cents a pound, receive 90 cents; or, at 40 cents a pound, \$1.20. The Government would receive in taxes 6½ cents per package, or \$3.25, but the consumer would pay, at standard prices, \$7.50 for cigarettes manufactured from this tobacco. The spread from the producer to the consumer is large enough to absorb any increase in the price the producer may receive, and cigarettes would continue to sell as they have always sold through fluctuating markets at standard prices, and the tobacco manufacturer would still make very large profits.

I do not intend to appeal to your sympathy. I appeal alone to your sense of justice, but I cannot refrain from saying, no one more truly exemplifies the Biblical injunction that "in the sweat of thy brow thou shalt earn thy daily bread," than the tobacco grower. His is a hard life. From sunup to sundown he performs his back-breaking labor in the heat of the summer sun. His work must be done by hand and no machinery has been invented to satisfactorily do it.

Tobacco is the sole cash crop of the farmers raising burley in Kentucky, North Carolina, Virginia, West Virginia, Tennessee, and southern Ohio. When the farmer obtains a fair price for his tobacco, there is prosperity and happiness and when the price of tobacco is inadequate, there is depression and despair in the tobacco sections.

It has cost the burley tobacco grower 10 cents more per pound to raise tobacco this year than heretofore. A contingency will arise by the passage of this bill which he could not anticipate and against which he could not guard.

I appeal to your sense of fairness and justice to give the same kind of treatment to the burley tobacco grower and any other growers whose market for 1942 tobacco has not yet opened as the other growers of other types of tobacco have received for their 1942 crop. Surely, there is no legislative purpose to discriminate in favor of one class of growers against others. All we ask is equal justice under law.

A good many of the tobacco markets have closed. The burley tobacco market has not opened. The markets that have already closed have not been under the provisions of this law and there has not been a ceiling established for their product. All we ask is that the burley tobacco and similar types of tobacco whose market has not opened be given the same treatment as the other types of tobaccos of the 1942 crop have received this year. Some of the other types of tobacco have this year brought more than 40 cents a pound while burley tobacco if it should come under the provisions of this bill would be limited to about 30 cents.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. This will affect burley tobacco in Kentucky, Virginia, Tennessee, Ohio, and West Virginia, and also affects the Connecticut Valley tobacco, the Wisconsin tobacco, and the Missouri tobacco.

Mr. SPENCE. And the Pennsylvania tobacco. I understand some of the Pennsylvania markets have not opened.

A substantially identical amendment was adopted by the Senate yesterday unanimously.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Does it also include dark tobacco in the various States of the Union which will not have their market until next year?

Mr. SPENCE. It includes any 1942 tobacco the price for which has not been established by a market this year. It is general in its terms. It includes them all.

I wonder if the chairman would not accept this amendment.

Mr. STEAGALL. Mr. Chairman, the amendment offered by the gentleman from Kentucky was not considered by the Committee on Banking and Currency in our haste to report this bill, but it merely represents an oversight. The amendment which the gentleman has offered is designed to correct a certain situation, and it is an amendment which I am sure all members of the committee as well as Members of the House will gladly endorse. There is no objection to the amendment.

Mr. SPENCE. I thank the gentleman.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Tennessee.

Mr. GORE. Does not the necessity for this amendment arise out of the fact that the commodity which this amendment affects has had no market during this calendar year?

Mr. SPENCE. That is right. The amendment was not considered in the committee. If we had considered it, we certainly would have corrected a situation that results, in the language of the bill, in gross inequity.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The amendment was agreed to.

Mr. SASSCER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SASSCER: On page 3, line 2, section 3 of the printed bill, strike out the first numeral "1942" and insert in lieu thereof the numeral "1941."

Mr. SASSCER. Mr. Chairman, the purpose of this bill is to curb inflation, curb the rising cost of living, and at the same time protect producers of agricultural products by providing that no ceiling or maximum price may be established for any such product below the parity as set forth in the bill or below the highest price received by farmers between January 1, and September 15, 1942. Neither of these safeguards provide the slightest protection to the Maryland tobacco farmers.

A ceiling at the present parity price of 21.8 cents per pound would be destructive to Maryland tobacco growers. The much discussed amendment to take the cost of farm labor into consideration in determining parity would only increase parity on Maryland tobacco about 2 cents, or to 23.8 cents per pound. If the maximum price were fixed we would still be below the cost of production under the present circumstance on the farm in southern Maryland today and about 10 cents under the 1942 average of 33 cents. The Maryland tobacco farmer can expect no relief from parity, whether the cost of labor is computed in it or not, and must look to the other safeguard of the bill—to wit, a maximum price "not less than the highest price received between January 1, and September 15, 1942." The base established by this alternative would be 4 or 5 cents below the average price for 1941. The Maryland tobacco is the only farm commodity that I know of that is selling for less this year than it did in 1941 before declaration of war and the incident rise of other farm commodities. The intention of this bill is certainly not to reduce a farm product below what it was before the rise. The amendment which I offer extends the highest price period back to 1941, so that our prices in 1941 may be taken as the basis of computation instead of limiting the base to the low level of 1942.

This is justified—yes; necessary—because practically all the able farm help in southern Maryland have left the farms for construction work on the Army and Navy war projects. A determined but weak effort is being made to carry on farm production by old men, boys, and women caring for the crops. Unless the income is such to keep some help on the farm, Maryland tobacco farmers face ruination and inability to produce.

I hope my amendment will prevail and the Maryland farmer will not be limited to the highest price of 1942 but may be permitted to use the highest price of 1941 also. The average price of Maryland tobacco in 1941 was 33 cents per pound. In 1942 it is under 30 cents.

[Here the gavel fell.]

(Mr. SASSCER asked and was given permission to revise and extend his own remarks in the Record.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. SASSCER.]

The amendment was rejected.

Mr. WICKERSHAM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WICKERSHAM: On page 3, line 4, after the semicolon, insert "Provided, however, That notwithstanding any other provision in any law to the contrary, A. C. P. payments or soil-conservation benefits shall not be considered as part of the farmer's income in figuring parity income, but shall be considered separate, earned benefits."

Mr. WICKERSHAM. Mr. Chairman, this amendment provides that A. C. P. payments or soil-conservation benefits shall not be considered as a part of the farmer's income in figuring parity income, but shall be considered separate, earned benefits.

You will recall what has happened in the past when we ruined all of our soil and plowed it up during and after the other war. Now, if the farmer who earns these benefits cannot get them, he will not contour his land or terrace his soil or preserve it in the manner that he ought to in order to do his best during this wartime to increase production. If you really desire to increase production, this is nothing but fair.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman.

Mr. TARVER. There is no provision of law requiring that A. C. P. payments shall be considered in determining what is parity for farm products. The gentleman, evidently, has in mind the inclusion of A. C. P. payments in determining the amount of parity payments provided by law.

The gentleman's amendment here is entirely unnecessary, because there is no provision of the Agricultural Adjustment Act of 1938 or of any other legislation requiring that A. C. P. payments be considered in determining parity prices of farm products.

Mr. WICKERSHAM. At this time they should not be considered, but they are by virtue of a provision written into the last agricultural appropriation bill against my will and against your wishes, and the farmers are getting cheated out of the amount they have already earned. When parity payments are figured soil-conservation benefits are again deducted, even though the farmers have already earned same by conforming to certain soil-building practices.

I submit to you that this is nothing more than fair to those who earn these payments, and if we do not go ahead and continue the soil-conservation program, we will be sorry.

Mr. Chairman, I urge the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

Mr. HARRIS of Virginia. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HARRIS of Virginia: Page 3, line 4, after the colon, add the

following: "Provided, however, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a fair and reasonable margin shall be allowed for such processing."

Mr. HARRIS of Virginia. Mr. Chairman, this amendment is designed to obviate a repetition of a serious difficulty which developed a few weeks ago, and which I am sure still is fresh in the minds of most Members. This difficulty precipitated an acute shortage of meat products in this country. That shortage resulted from a series of events beginning with the fixing of maximum prices on pork and other meat products at a time when the ceiling schedule provided for a reasonable profit. Within a short time after ceilings were placed on these products, the prices of live stock advanced so greatly that margins of profit were wiped out and many of the packing houses, particularly the smaller ones in my part of the country, advised me that they were compelled to shut down.

The demand for live stock in the West fell off correspondingly, and live stock was not sold. The quantity of packers' products for the market, therefore, decreased until there was an actual and acute shortage all over the United States, and in many places this shortage continues today, although the original price schedule has been revised to a point where it should take care of the situation.

This amendment provides for an elasticity in the handling of the products of packers of livestock and livestock products, and it will make it possible for the meat packers to operate at a fair and reasonable margin, thus preventing a shut-down, and make sure a supply of meat, not only for the people of this country, but for the armed forces of our country and for lend-lease purposes.

I submit that where the proposal is only for a fair and reasonable margin, which would hereafter insure an adequate supply of meat products, there should be no objection to the amendment.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. HARRIS of Virginia. Yes, gladly.

Mr. BECKWORTH. I wish to say to the gentleman from Virginia that I have just received from the Wickham Packing Co., of Kilgore, Tex., which company is in the heart of the east Texas oil field, and which company supplies meat to many local workers and also assists our local farmers by purchasing some of their livestock, a telegram which precisely states what the gentlemen is saying—I am for your amendment and I trust the House will pass it for it is needed.

Mr. HARRIS of Virginia. I thank the gentleman. I think that condition exists all over the country where there are small meat packers in business. I earnestly urge the adoption of my amendment.

Mr. JENNINGS. Mr. Chairman, I rise in support of the amendment. I have on the Speaker's desk an identical amendment to that just offered by the gentleman from Virginia [Mr. HARRIS]. I think it is important, is vital, and it is necessary to adopt this amendment in

order to take care of the producers and the raisers of livestock and the operators of small packing houses throughout the country. I have in mind a situation in my own city. There are two packing establishments in the city of Knoxville, and but for the existence and operation of those packing houses the livestock industry would not be profitable in that section of the country. By reason of the fact that they are there, the people who raise cattle and hogs and sheep have a market and do not have to take their livestock to Cincinnati or to some distant point. They have a cash market the year around; but due to the advance in the price of live animals and the ceiling put on pork and beef products, an acute shortage of meat products arose in that section, and I personally know, because I have been told by the operators of those plants and I know that they are responsible, honorable men, that on every hog they butchered and processed they lost from \$1.50 to \$2 per head, but they kept going. This amendment will remedy that evil and will enable these small packing houses that afford a market to people in their vicinity for their livestock, to keep going.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. Yes; I yield to my friend from Nebraska.

Mr. CURTIS. I am very much in favor of the amendment. I think it will be beneficial not only to the packers, but to the farmer, but why is it that that has not been taken care of by regulation on the part of Mr. Henderson? It could have been done under the act that we now have.

Mr. JENNINGS. Of course, I cannot speak for Mr. Henderson. What he does or what he does not do is beyond my ken and behind my power to correct, except by the enactment of this amendment. If we have this amendment in the law, then we will not depend on the will of Mr. Henderson.

Mr. CURTIS. And one more question. Why is it that Mr. Henderson places a ceiling on products of the distributors of food which are lower than those people can buy those articles for? Was it an attempt to break down the distribution of food in this country, or was it a matter of inefficiency?

Mr. JENNINGS. I do not know. It is entirely possible that Mr. Henderson, not being a product of the soil, not being a farmer, not being a processor of livestock, just did not realize the importance of this sort of thing to the people who process meats and to the people who produce the livestock on the farms, but I do know this, that it is of supreme importance that we keep in operation as going concerns these small packing establishments which throughout the year round provide a daily market to the men who produce cattle and sheep and hogs. It does not matter how hot the day is in August, the farmer can take his animal there, if it is right for market and get a check for it when he takes it to the market.

Mr. CURTIS. Is this limited to livestock production?

Mr. JENNINGS. No, not alone the livestock, but it mentions livestock.

It says:

Provided, however, That in the fixing of maximum prices on products resulting from the processing of agricultural products, including livestock, a fair and reasonable margin shall be allowed for such processing.

It covers all agricultural products.

Mr. NELSON. Will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. NELSON. May I say you are touching on a very vital issue. The small packing plant means so much to the local communities and the farmers thereabout. I hope this amendment prevails.

Mr. JENNINGS. If they are put out of business, it means that the farmer who produces just a few head of livestock will likewise go out of business. Now is the time when we want to keep him in business and keep him producing beef and mutton and pork.

Mr. MUNDT. Will the gentleman yield?

Mr. JENNINGS. I yield to my friend from South Dakota.

Mr. MUNDT. Is it not true that these small packers, being located closer to the farmer, will pay him a better price than when he has to ship to the large fellows in the large cities?

Mr. JENNINGS. Oh, undoubtedly. He would lose the transportation cost on the animals that he sells when he ships them to the big centers.

Mr. COFFEE of Nebraska. Will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. COFFEE of Nebraska. I agree with the gentleman's views on this. The amendment should be adopted. I may state that the Senate has already adopted a similar amendment to the bill over there.

Mr. JENNINGS. That is another reason why it should be unanimously adopted.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. HARRIS].

The amendment was agreed to.

Mr. STEFAN. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. STEFAN: On page 3, line 4, after the semicolon insert a new paragraph as follows: "or (3) for less than the average cost of production plus a fair profit."

Mr. STEFAN. Mr. Chairman and members of the Committee, this is the amendment to which I referred in my previous remarks. It is the same amendment which I offered on this floor on November 23, 1941, when we had under consideration the first price control bill. This amendment merely adds a third formula to the two formulas in this bill, namely, that the farmer be given the average cost of production plus a fair profit.

I have listened to every word said on this bill since it came before us and I find many members are agreed that the farmer should be given the same oppor-

tunity that is given to labor and industry. Many of the speeches made here indicate that many here want the farmer to get at least the cost of production. We have just passed the Brown amendment, which includes taking in the cost of labor on the farm in computing parity. If we can figure parity we surely can figure the cost of production. I urge you to add this third formula to this bill in order that there will not be this continued dislocation between the farmer, labor, and industry.

[Here the gavel fell.]

[Mr. STEAGALL addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. STEFAN].

The question was taken; and on a division (demanded by Mr. STEFAN) there were ayes 11 and noes 67.

So the amendment was rejected.

The Clerk read as follows:

SEC. 4. No action shall be taken under authority of this act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended; (2) which is inconsistent with any recommendation or order of any agency of the Federal Government affecting the wages or salaries of employees whose cases were pending before such agency on September 15, 1942, and were undetermined on the date of enactment of this act; or (3) with respect to wages or salaries which have not reached a 15 percent increased cost of living level above the wages or salaries paid on January 1, 1941; or (4) for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942: *Provided*, That the President may adjust wages or salaries to the extent that he finds necessary to correct gross inequities.

Mr. WADSWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: On page 3, line 16, after the word "salaries", strike out, beginning with the figure "1" in parentheses, down to and including the semicolon in line 18.

Mr. WADSWORTH. Mr. Chairman, the effect of this amendment, if adopted, will be to strike out that first subdivision of the sentence in section 4, which refers to the provisions of the Fair Labor Standards Act.

As indicated in a question which I put to the chairman of the committee, the gentleman from Alabama [Mr. STEAGALL] I have been unable to understand why that language should remain in the bill now that the language contained in the second portion of section 2 has been stricken from the bill. The language in the second portion of section 2 is the language which authorized the President of the United States to suspend the provisions of existing law relating to wages and salaries.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. SACKS. I will answer the gentleman. That was stricken from the bill and if you strike this out that means that the President of the United States could even go below the 40-hour rate, and that

was put in there to at least put a floor under it for the low-paid labor.

Mr. WADSWORTH. Still I cannot see—

Mr. SACKS. Is the gentleman in favor of cutting out the provisions of the Fair Labor Standards Act?

Mr. WADSWORTH. Yes; for the duration.

Mr. SACKS. And let the President set it much lower if he sees fit?

Mr. WADSWORTH. There is no danger of that.

Mr. SACKS. There might not be a danger, but there was not to agriculture, either.

Mr. WADSWORTH. There is nothing in this bill that I can see that authorizes him to suspend the provisions of the law relating to the scale of wages and salaries; we have taken that out. It was in the second portion of section 2, but it is out. It has however been suggested to me that it might be possible for the President to manipulate in some way the wages and salaries under the language of section 1.

Mr. SACKS. Mr. Chairman, will the gentleman yield further?

Mr. WADSWORTH. No; I cannot yield. However that may be, may I impose upon the patience of this rather tired Committee at this late hour with a few observations concerning the practical operation of that provision of the Fair Labor Standards Act which by statute establishes a 40-hour week in industry and by statute established time-and-a-half for work on Saturday. On a previous occasion and in a public manner, especially in my home district, I have made an appeal to this effect: That in view of the menace confronting our institutions, the hard long drag of this war—and we have just commenced—industrial labor might of its own volition make a little sacrifice and agree not to demand a bonus for working on Saturday.

In my own observations I have noticed this in connection with the difficulty of obtaining and holding farm labor. I have noted that the man who works on the land cannot expect to work less than 60 hours a week, 6 days at 10 hours a day. The statutes of the United States do not pretend to prevent him from doing that. I assume the Congress has refrained from establishing a 40-hour week in farm labor in the knowledge that the sun is the master of the farmer who produces food. The farmer works from sunup to sundown; and, incidentally, when you put on daylight saving you made him get up an hour earlier, but you could not let him quit an hour earlier in the evening. When you did that you made his fate the worse. A man working on the land 10 or 15 miles outside the city of Rochester, we will say, in the county of Monroe, or in my own home county of Livingston, beautiful farming country, sees men coming back from work on late Friday afternoon after earning a dollar an hour for 40 hours, going home and spending Saturday without working, or if he spends Saturday at work in the plants at Rochester, he comes back after earning \$12 for that Saturday.

[Here the gavel fell.]

Mr. WADSWORTH. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WADSWORTH. It has the most demoralizing effect upon those who see that performance—men who are working on the land—that time and a half for Saturday. They cannot understand why the law should give one man a bonus for working on Saturday, but that no other class of men may get it. It is pretty hard to talk to them about that, to explain it; and yet it is the law of the United States enacted in time of peace several years ago, enacted concededly for the purpose largely of spreading labor when there was a high degree of unemployment. Now there is no high degree of unemployment; it is just the opposite, and yet there that law stands. One group of Americans is paid a bonus for working on Saturday; no other group enjoys it.

Mr. McKEOUGH. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. McKEOUGH. Is there any distinction in the mind of the gentleman between that which he has just described as a bonus paid to the man working 40 hours a week and the bonus paid to the farmer for not producing on his land?

Mr. WADSWORTH. The gentleman puts a very difficult question to me.

Mr. McKEOUGH. I just wondered if there was any inconsistency about that.

Mr. WADSWORTH. The gentleman from Illinois may remember—perhaps he does not—that I have been utterly opposed to that portion of the agricultural program which paid men for doing nothing. But the situation has changed.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. CASE of South Dakota. Is it not true that the law soon afterward was changed to require that the farmer to receive the benefit must do certain things in a positive way, not just cease to produce?

Mr. WADSWORTH. Yes; he must do certain things.

I know the amendment I have offered will have no effect upon the substantive law if it is adopted, none whatsoever. I have offered it for the purpose of making an appeal, an appeal to a portion of labor, the men who work in industry, loyal, straight Americans, to indicate their willingness to the President of the United States to make some little sacrifice during this war, that sacrifice being to work on Saturday, if it is necessary, at straight wages just as the man on the land has to work.

[Here the gavel fell.]

Mr. SACKS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is an attempt to suspend the wage-and-hour law. Congress enacted this act not because of unemployment alone but to set a policy and to set a standard for those who were employed at low wages and for those who were working in sweatshops.

We are at war. The gentleman from New York said there was a difference that should be reconciled between those working in the fields and those working in the plants producing the sinews of war. He said he could not understand why a man should want time and a half on Saturday in the production of those sinews when the farmer worked 60 hours a week or more on the farm producing crops just as necessary for the war. Let me say that the men working in those plants receive those benefits not as a temporary benefit but as the stated law of this land. Progress in liberal legislation toward labor was made by the Congress of the United States. I feel that this war effort is not being hampered by having such a law.

I want to recall to the gentleman from New York that the sons and the brothers of those men working in these plants are serving in the armies of the United States. They have been on Bataan and they are on the Solomons and every other place where an American army goes. The cost of living as a result of the increase in farm prices has made it at least partially equal in the wages that they receive. Today the committee adopted the Brown amendment, an amendment which will further increase the cost of living. If you start under the guise of a war measure to reduce the rates established for American citizens whom I think the gentleman will agree with me are patriotic, you are taking a step backward and you are saying to those men that we in the United States, although we are fighting for the things set forth in the Atlantic Charter, we do not believe in them and we are going to start at home breaking down those bulwarks that we established for your protection.

I say you are doing two things today if you adopt the Brown amendment and if you adopt this amendment. You are saying that the increase in the price of living shall be the law and that the President cannot reduce or stabilize it and at the same time you are saying that the benefits of the wages-and-hours law that have raised the standards of the laborer and the poor employee, the unorganized men, you are saying that their standards and the amount to be received by them from their labor shall be reduced. I say to you today that if there is an incentive for the Brown amendment it is because people said that unless the amendment is agreed to the farmer would not produce as much. It would not be beneficial to him. I say to those same men, I believe the farmer is patriotic and wants to win this war and that he will produce as much whether we adopt the Brown amendment or not. I say that labor is doing its share and will do its share. It has already shown its willingness to carry on and help win the war by agreeing to the double-time feature. I am sure that if it were necessary they would agree to this, but I say to you that the Congress is today making a mistake if it agrees to this amendment.

[Here the gavel fell.]

(Mr. SACKS asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not see that this amendment makes any difference one way or the other since we struck out the language on page 2. The language on page 2 gave the President the power to suspend any provisions of the law and so forth, and that was stricken from the bill. I therefore do not see that it makes a bit of difference as a matter of law whether this section is in or out of the bill. It is a piece of redundant language, as I see it. May I ask the gentleman from New York whether or not that is true?

Mr. WADSWORTH. The gentleman from New York in opening his remarks stated that was not in effect his opinion. I wanted to know why that was left in there at all.

Mr. HINSHAW. I do not see that it makes a bit of difference whether that language is in there or not if the President has not the power to suspend existing law.

Mr. WADSWORTH. I confess to the gentleman from California that I offered this amendment not with the idea that its adoption will accomplish anything in the way of a change in this bill, but to bring to the attention of the committee a situation which I tried to describe in such inadequate fashion.

Mr. HINSHAW. Then it amounts, practically, to a pro forma amendment as far as any effect on the bill is concerned.

Mr. SACKS. Will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Pennsylvania.

Mr. SACKS. May I say to the gentleman that this was put in the bill as a safeguard. If we take it out we are repudiating the policy of Congress when we adopted the wage-hour bill. I say it is very effective in this bill and should not be stricken out.

Mr. HINSHAW. May I say that if the language had stayed in which gave the President the power to suspend any provision of law, then the gentleman would be absolutely correct, but that language has been stricken from the bill; therefore, I do not see any legal difference whether the language is in or out.

Mr. SACKS. We specifically say it is the policy of the Congress that the President shall not do it.

Mr. HINSHAW. We did that when we passed the act originally. It is hardly necessary to repeat it.

Mr. CRAWFORD. Will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Michigan.

Mr. CRAWFORD. It might be well to observe that the gentleman from Pennsylvania submitted his bill containing the language which has been stricken out and which would have given the President full power to ride over these existing laws except as protected by this.

Mr. HINSHAW. That may be correct, but I do not see that it makes any difference at all, now that the language on page 2 has been stricken, whether this language remains in or not. Am I correct?

Mr. STEAGALL. That might be a matter of legal interpretation.

Mr. HINSHAW. What is the gentleman's opinion?

Mr. STEAGALL. I am inclined to agree with the views expressed by the gentleman from New York that the amendment would not be of any value in changing the existing law. It does seem to me, however, that an implication might be indulged in if we adopt the amendment striking it from the bill. For the reason that it is understood on all sides it is not expected the amendment will change existing law, it seems to me that the amendment should not prevail.

Mr. HINSHAW. Mr. Chairman, may I say here, parenthetically, that this bill seems to be an invitation for the completion of a general wage and price rise of 15 percent. No doubt disabled veterans and persons receiving other compensation, including old-age assistance, will feel that they are entitled to 15-percent increases in their compensations, and with a sense of justice in their demands. Then will follow all other persons until the completion of a new general stage of prices is achieved. It would appear inevitable, and is almost the inevitable result of failure of the administration and the Congress to adopt the Gore bill a year ago.

[Here the gavel fell.]

Mr. McKEOUGH. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am inclined, of course, to agree with the distinguished gentleman from New York, except that in the event his amendment is adopted, as the chairman of the House Committee on Banking and Currency has indicated, there is an implication, at least, carried with it that insofar as the Fair Labor Standards Act is concerned, striking it out from the language of the bill would have, in my judgment, some effect when the bill goes to conference with those who represent the body at the other end of the corridor. Under these circumstances, I think it would be a mistake for us to strike out by that amendment the particular verbiage that refers to the Fair Labor Standards Act.

I should like to direct myself for the moment to the distinction that was drawn by the able gentleman from New York with reference to the conduct of those who till the soil and those who produce the planes, the tanks, and the guns, and the coal, and other minerals from the mines of the earth.

I do not know that labor needs any defense of its patriotism at my hands today, but I am sure there is not a Member of this body more inclined to be fair in matters such as this than the able gentleman from New York who first proposed this amendment. I am sure he realizes, as most everybody else in America and the world does, that in speeding up war production the number of units of any particular type in the program has been greatly increased since industry finally went to work in that direction.

I yield to no one in this House in my interest in the care of those who are on the farms of this country. I have supported every farm bill since I came to Congress in 1935. I know as well as any-

body that unless the farmer is prosperous the men in the factories, the mills, and the mines have no employment. But I submit that with the development of mechanized industry workers everywhere in America engaged in wartime production are willing and are working more than 40 hours per week to produce the weapons with which to defend our country, and are doing it patriotically.

I in no way condemn the farmer. I understand his problems, I think, and I am as sympathetic with caring for his problems as anybody in this Congress; but I submit on the other side, and anybody who is engaged in industry anywhere in America must know this to be the truth, that through the speed-up of industry by reason of mechanical innovations production per hour per capita in industry in America is so far beyond that of any other country of the world that there is no comparison to be offered.

Labor is as patriotic as any segment of our society. We have heard much about the boys leaving the farms, but there are many boys leaving the homes of those who toil in the industrial centers of America. They yield to none on the farm in their love of this country and its concept of government. To me, there is no division with relation to the patriotism of the farmer and that of the industrial worker, but I think it is time, in the light of the reference to the Fair Labor Standards Act today, that somebody take the floor and offer at least, in presenting the facts, that compliment to the patriotism of labor that labor has so well earned.

I hope the gentleman from New York will withdraw his amendment and let the bill go to conference ultimately without striking out the specific reference to the Fair Labor Standards Act that we enacted in 1938.

[Here the gavel fell.]

THE PRICE CONTROL ACT PROHIBITED CONTROL OF
WAGES AND SALARIES

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in view of the turn this debate has taken, it seems appropriate to me that the record should show that if this bill results in an inflationary tendency in the country it will be because of the floors that are put under wages and salaries by section 4.

From the President's address to the Congress and the country, the average person would get the impression that if there is an inflationary tendency in the country it is due to an increase in farm prices.

The President said:

The Congress must realize that unless the existing control over farm prices is strengthened, we must abandon our efforts to stabilize wages and salaries and the cost of living. * * * The reason—

He said—

why price ceilings have not already been imposed on all food products is, as you know, that paragraph 3 of the Emergency Price Control Act prohibits such ceilings until farm prices as a whole have gone up beyond parity prices—far beyond.

Franklin Delano Roosevelt presented a one-sided picture. Nowhere did he make

any reference to the fact that the Emergency Price Control Act carried an express and absolute prohibition against doing anything to control wages and salaries. He threw the responsibility for what he called "the unparalleled disaster of unchecked inflation" on a rise in farm prices, asked Congress to lower the ceiling on them, and as for wages and salaries, said that he would stabilize them. "This I will do," he said.

It was an unfair, one-sided picture which did the President no credit. It overlooked the magnificent job which the farmers of the country have done. We have had shortages in rubber and a lot of other things. We have not had a shortage in food; the farmer and the farmer's family have done their jobs well. And I cast no aspersion on the worker in factories when I say that they, too, have done and are doing a big job well.

The facts are that the Emergency Price Control Act of 1942, approved last January 30, did put a ceiling on farm prices. It put the ceiling at 110 percent of parity, as the President stated. But that same act carried an absolute prohibition against doing anything about wages or salaries. I refer to that proviso buried in subsection (c) of the section of definitions which states:

Provided, That nothing in this act shall be construed to authorize the regulation of compensation paid by an employer to any of his employees.

There it is. That is the law, an express prohibition in the Price Control Act against doing anything about wages or salaries. The President said nothing about that.

Now, this section 4 of the new price-control bill under consideration, to which an amendment has been directed, places four specific floors under wages, and also a general floor, for section 4 states that—

No action shall be taken under authority of this act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended—

That is the first floor under immediate discussion—the 40-hour week with time and a half for overtime. The second floor is subsection 2, which forbids any action on wages and salaries—

(2) which is inconsistent with any recommendation or order of any agency of the Federal Government affecting the wages or salaries of employees whose cases were pending before such agency on September 15, 1942, and were undetermined on the date of enactment of this act.

Then comes the third floor, and this is the floor which is most definitely inflationary. It reads:

No action shall be taken * * * (3) with respect to wages or salaries which have not reached a 15-percent increased cost-of-living level above the wages or salaries paid on January 1, 1941.

In other words, the Little Steel formula is here written into this bill and made to apply to all wages and salaries in the country, regardless of circumstances. Estimates made in general debate yesterday were that the cost of that to the country will be from \$7,500,000,000 to \$15,000,000,000.

Consider that in relation to farm prices. One must remember that the total farm income of the country runs between \$9,000,000,000 and \$13,000,000,000, and there has been a hue and cry here against figuring the cost of labor as part of the farmer's cost of production, lest it add 10 percent to that figure.

Yet you are putting one floor under wages here that will increase the wage and salary pay rolls of the country, adding to the cost of the war effort by more than 50 percent of the total farm income of the country. If the cost of living goes up, if our war bill goes sky high, where does the responsibility belong?

Then a fourth floor is subsection 4 which provides that no action shall be taken—

for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942 and September 15, 1942.

If these four floors do not do the job, it is finally provided—

that the President may adjust wages and salaries to the extent he finds it necessary to correct gross inequities.

This is what you do in this so-called price control bill. Set up a formula, yes. End the express prohibition against doing anything about wages and salaries, yes. But it is an inflationary formula and the responsibility for the really inflationary part of this bill rests upon section 4 and it does not rest upon the farmer or the sections pertaining to farm prices.

This is being done in the face of the situation that farm prices today are half what they were in World War No. 1, while industrial wages are more than doubled. I refer to tables from the Department of Agriculture and the Bureau of Labor Statistics which I put into the RECORD of July 16, and also a table which I placed in the RECORD on May 28, in which it was shown, definitely, that both by percentage and by dollars and cents farm prices in this war have been half of what they were in World War No. 1, while industrial wages and factory wages were doubled.

Those official tables showed that with 1910–14, as a base period for an index figure of 100, the hourly earnings of factory workers stood at 192.8 in 1918 and 348 in 1941 and 379.6 in February 1942. Against that, prices received by farmers were 202 in 1918, and only 122 in 1941 and 146 in February 1942.

Workers in the automobile industry averaged 57.1 cents an hour in 1918 but \$1.16 in January, this year. Iron and steel workers received 74.8 cents in 1918; 92.6 cents last April. Union bricklayers got 80 cents in World War No. 1 but \$1.73 per hour in the defense work of 1941. Against that, farmers who got \$1.52 for their corn in 1918, averaged 64.3 cents last year and between 72 and 81 cents this year. Wheat farmers who averaged \$2.05 for wheat in 1918 under the \$2.20 ceiling, averaged 84 cents last year and around \$1.04 this year.

Yet in the face of those figures, the President told the country that farm prices were threatening the country with "the unparalleled disaster of unchecked inflation" and made no mention of what

has happened with respect to wages which enter into the cost of living. He said the greatest danger "is in dairy products" and predicted an increase in the price of milk in the cities. In my part of the country, the dairy farmers are going out of business because they cannot compete for help in the labor market. The President's remarks may have stirred those who buy milk but they had a hollow ring to the farmer who gets 4 cents for his milk that costs the consumer 14.

That is the record and it ought to be a part of our record in the consideration of this bill, supposedly a bill to get at the causes of inflation.

Now it may be that we ought not to take the action that is proposed by the pending amendment but if the enemy were in our streets as they are in Stalingrad today, certainly we would not be debating whether or not the President should have the power to set aside the Fair Labor Standards Act and ask people to work more than 40 hours a week.

[Here the gavel fell.]

[Mr. HOOK addressed the Committee. His remarks will appear hereafter in the Appendix.]

[Mr. VOORHIS of California addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. Without objection, the pro forma amendments will be withdrawn, and the question is on the amendment offered by the gentleman from New York [Mr. WADSWORTH].

The question was taken; the Chair having announced itself in doubt, the Committee divided; and there were—ayes 58, noes 166.

So the amendment was rejected.

Mr. CASE of South Dakota. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: Page 3, line 23, after the semicolon strike out the balance of line 23 and all of line 24 down to and including the semicolon on line 25.

Mr. CASE of South Dakota. Mr. Chairman, it will not be necessary for me to take the 5 minutes to explain this amendment. My amendment would strike out inflationary subsection 3, which provides a floor in the form of the so-called Little Steel formula, guaranteeing in effect, a general 15-percent rise in wages and salaries. In many places, such an increase is warranted. There are some industries and some activities in this country, however, where a 15-percent increase in wages and salaries is not called for; the evidence of that is the fact that the War Labor Board has declined in some instances to apply that formula.

Subsection 3, however, provides that no action may be taken to stabilize wages unless they have increased at least 15 percent since January 1, 1941. That is a direct invitation, indeed it is practically a mandate, to increase wages and salaries by 15 percent, whether the circumstances justify the increase or not. It has been stated on the floor by members of the committee that this will add from 7½ to

15 billion dollars to the salary bill of the country. That certainly is inflationary and will be reflected in new spirals of higher prices all along the line.

My amendment would strike that out of the bill so that it would be possible, if the President found it desirable not to apply that formula in certain instances, to decline to apply it. The amendment would not prevent increases but it would not make them mandatory. It still would leave in the bill the proviso on page 4 that the President may adjust wages and salaries to the extent that he finds it necessary to correct gross inequities. With that final proviso left in section 4 there is no need or justification for inflationary subsection 3. I yield back the remainder of my time.

Mr. LYNCH. Mr. Chairman, I rise in opposition to the amendment. The Committee started off with a bill that was intended to curtail inflation. By adopting the Brown amendment it has become a farm-relief bill, and if this amendment to strike out subdivision (3) of section 4 is agreed to, it might well be said that instead of an anti-inflation bill we have a combination of farm relief and antilabor legislation. By adopting the Brown amendment this afternoon, the House has done the equivalent of raising insofar as the people in the cities are concerned the cost of living approximately 10.7 percent.

Although in the past there have been wage rises for organized labor in some industries, there are still some thousands upon thousands of people throughout the country who are in the white collar class, or who are in some other class who have not received wage increases sufficient to meet the increased cost of living who are today receiving the same wage that they were receiving on January 1, 1941. This afternoon, in spite of the President's protest, with this increase that has been caused by the passage of the Brown amendment, these people will hereafter be obliged to pay this higher cost of living. The purpose in having this provision in the bill was to take care of a part of those who have not had the opportunity that others have had to obtain increases in wages. As I understand it, with the passage of the Brown amendment, pork chops that are now selling at 43 cents per pound would rise to 56 cents a pound, and leg of lamb which costs 38 cents a pound would cost 49 cents a pound; while round steak which can be purchased today for 44 cents a pound would rise to 57 cents per pound. If you strike out this provision of the bill, what are those people who have not received wage increases from January 1, 1941, going to do? We have heard a great deal this afternoon about the plight of the farmer, how they work and slave in the sun and in the rain, but I call upon you this afternoon to remember those who are in our industries in the cities who have not received a single cent of increase in wages since 1941 or before, and who, by reason of the adoption of the Brown amendment, are faced with a further rise of 10.7 percent in their cost of living.

I ask you to remember those who are in the civil service of this Government

who have not received any increase in pay, particularly the mail carriers in the Post Office Department, who have not received 1 cent increase in pay, since 1925. The President has called upon the Congress for a bill to halt inflation. You are disregarding the request of the Commander in Chief and are giving him a farm-relief bill, which will let farm prices go higher, while holding wages to present levels.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. LYNCH. I yield.

Mr. SACKS. I want to point out that the very people we ought to help, those who are unorganized and who did not receive any increase will be helped by this provision.

Mr. MOTT. Will the gentleman yield?

Mr. LYNCH. I yield.

Mr. MOTT. The gentleman stated a moment ago that if the Brown amendment were retained the price of pork chops and lamb chops would rise to a great extent. I suppose the gentleman is aware of the fact that the price of those commodities has already risen away above 110 percent of parity so how could the Brown amendment affect them?

Mr. LYNCH. I have no doubt that those prices have already risen, but they will rise even more as a result of the Brown amendment.

[Here the gavel fell.]

(By unanimous consent, Mr. LYNCH was granted permission to revise and extend his remarks.)

[Mr. CRAWFORD addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. KOPPLEMANN. Mr. Chairman, I rise in opposition to the amendment.

It was not my intention to enter into this debate, because I presumed that every Member, particularly the gentleman from Michigan, who is a member of our committee, knew my position on this bill and the bill that was passed some months ago. He knows that I objected to the inflationary features written into the original legislation last winter. These inflationary provisions compelled the new legislation introduced this week by our committee.

He knows, and every member of the committee and this House knows that I objected to the inflationary Brown amendment. I did not support the bill insofar as its inflationary part was concerned.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. KOPPLEMANN. If I have time after I finish my statement I shall be pleased to yield.

The Brown amendment of 1941 was plainly inflationary in every detail. The bill before us was recommended as a means of controlling the inflationary danger wrought by the first Brown amendment. Now this House has again supported Mr. Brown, and has gone all out for the high cost of living, thereby contributing to the inflationary spiral.

Every Member who voted for the Brown amendment today will be unable

to defend himself before his own conscience or before the country if he attempts to claim that he is in favor of controlling prices and stopping inflation. The Brown amendment is absolutely to the contrary. We now have a worse bill than the original one.

A moment ago the gentleman from New York [Mr. LYNCH] quoted some prices that will result if this new Brown amendment should prevail in the final bill. Let me add that the cost of food and clothing will rise under the Brown amendment by 10.7 percent. In dollars and cents this means that the people of America will pay a yearly increase of \$3,700,000,000 in the cost of living. I cannot support that kind of legislation. You could not if you understood what it really means.

Increasing the cost of living \$3,700,000,000 a year includes the farmer, since he must buy food and clothing for his family. Farmers in my district and from elsewhere in the Nation have appealed to me to help cut down the cost of feed for their cattle and poultry. Under the Brown amendment this is impossible. You cannot stabilize wages if the cost of living goes up.

If you up the cost of living, you must increase wages to meet it.

The vicious circle goes round and round, and where it stops nobody knows.

And it will continue if this amendment stands and the cost of living rockets upward, unless this Congress exercises its solemn responsibility to stop it. Your support of the Brown amendment defied the entire Nation. You are forcing the President to take matters into his own hands. And the Nation is back of the President.

And about the provision to stabilize wages, do not forget there are millions of families in America who are unable to purchase all the necessities of life. Millions of others have not benefited from the war prosperity. They cannot meet the present increases in the cost of living. Actually the wages of white-collar workers, of workers in mercantile establishments, in the professions, have gone down. In seeking to strike out the wage-stabilization provisions of this bill, you are attempting to destroy the only possible chance for the lowest-income people in America to earn enough money for decent living.

[Here the gavel fell.]

(Mr. KOPPLEMANN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentlewoman from New Jersey [Mrs. NORTON] is recognized for 5 minutes.

Mrs. NORTON. Mr. Chairman, I did not intend to inject myself into this debate, but I have listened all afternoon and am simply amazed to find that this bill which was supposed to control prices, if the Brown amendment is adopted in the House, will do exactly the opposite thing.

I have been traveling around the country quite a bit; I have been addressing many women's gatherings. I should like you gentlemen to know that the thing in the minds of every woman in this country is: How are we going to win the

war? and, How are we going to keep down prices? These are the two important things all women are considering today. This bill is not going to keep down prices. It is not going to help win the war.

I want to say right here and now that if the Brown amendment is not defeated in the House I am going to vote against the bill; at least I will be consistent.

May I also remind you that the women in the country are going to hold the balance of power in this election; there are going to be lots more women voters than men because of the great number of men called to the front. When the women go to the polls they will consider the candidate who by his vote made it impossible for them to feed their children properly. That is exactly what is going to be the attitude of the average woman in this country. She does not care whether the farmers are pleased or whether they are not; nor is she interested in the farm bloc; nor is she interested in the labor bloc. The thing she is primarily interested in is whether or not she is going to be able to feed her children on the small amount of money she will have to do it with, and every time you increase the price of food you are losing out on the women's vote.

I want to tell you also as a housewife and as somebody who has been paying the bills and knows what she is talking about, that the price of living has increased tremendously not only in the last year but just in the last few months.

It might be well to remember that what we do here today shall affect the welfare of millions of people throughout the country, particularly those in the low-income group. Adopting an inflation amendment will not contribute to our war effort. We are engaged in a titanic battle. Personal and political considerations should be out for the duration. If this bill is adopted with the Brown amendment you are going to hear from the women of the country. I protest such legislation and shall vote against it.

[Here the gavel fell.]

Mr. SACKS. Mr. Chairman, I move to strike out the last few words.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. SACKS. Mr. Chairman, I am not going to take the 5 minutes but I just want to point out something in this bill that will show the gentleman from Michigan whether or not we gentlemen who come from the cities are interested in getting a bill that is deflationary rather than inflationary. In the next paragraph of the bill we agreed in order to keep the price stable without the Brown amendment and in order to regulate wages, we agreed to the following language—and this will show you who was selfish, the farm bloc or those in the cities. In the next paragraph, section 5, we agreed to these words:

No employer shall pay and no employee shall receive any further increase in wages or salaries unless approved by the President.

Mr. Chairman, we put a freezing order on wages. There is no freezing order in the language of this bill on agriculture.

We wanted to really control this thing. We did not want an inflationary bill, as the Brown amendment makes it. We did not selfishly hold out for labor.

I say to you today that if the Brown amendment stays in I am going to vote against the bill because I believe it is inflationary. May I say also that the President has challenged the Congress and if we pass this inflationary bill the President will tell the country that we are for inflation. You watch your newspapers tonight if you pass this Brown amendment, the very amendment that they talked about before our committee considered this bill. We should defeat the Brown amendment when we get back into the House and give the President a bill that will not be inflationary but a bill that will stabilize wages.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. SACKS. I yield to the gentleman from California.

Mr. THOMAS F. FORD. It was the Brown amendment that made this bill necessary today?

Mr. SACKS. Yes; it was the Brown amendment that made it necessary.

[Here the gavel fell.]

Mr. KEEFE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I agree with the gentlewoman from New Jersey that the women of America in the November election are going to voice their opinion at the polls. I do not know the groups to whom she has been talking throughout the country, but let me call the attention of the gentlewoman from New Jersey to the fact that the women on the farms of America are going to vote as well as the women in the clubs of the cities and the wives of those people on the farms who are compelled to work as never before are going to have something to say as to whether they shall have their day in America or shall be consigned as they are threatened to be consigned to a life of serfdom. So as one Representative who has not spoken on this matter before, I am not alarmed by the threat that has been given to Members of Congress by the gentlewoman from New Jersey.

May I ask a question in all fairness, having heard this whole discussion yesterday and today? This whole business is provoked by the President's message. He says:

We are facing an acute and critical condition due to the advance in the cost of living.

He stated:

The greatest danger is in dairy products, which are, as you know, most important items in the American diet.

Now let us look at that situation. You are condemning the farmer and you say he is responsible for this increase in the cost of living, not only in connection with dairy products but everything else. Is that, in fact, the truth, when you know that the farmers of Wisconsin who are sending milk into the city to be consumed by these people that the gentlewoman has perhaps talked to are getting 4 cents a quart for their product, while the people she talked to are compelled to pay from 14 cents to 17 cents a quart? Why do you blame the farmer? Why do

you say that he is a profiteer? Why do you say that he is a racketeer, when you know that these people who stand between the farmer and the people who consume his products are the ones who are the racketeers, if anybody is to be designated as a racketeer; when you know that those who deliver his product to the housewife in the city are earning in the city of Chicago from eight to ten thousand dollars a year, people delivering milk, the cost of which must be taken out of the toil of the farmer who must be there every day, 365 days in a year, to milk those cows and produce that milk?

I say to those of you who are condemning the farmer that you are casting a false aspersion upon the most decent people in this country. Did you not listen to the gentleman from Washington [Mr. HILL] this morning when he told you of the farmers in his area receiving \$17.50 a ton for tomatoes that were purchased by the consumer on the market at \$140 a ton? Did you not listen to him when he spoke of farmers in his territory receiving \$15 a ton for onions while the consumer pays \$100 a ton? Who is the profiteer?

Mr. CHAIRMAN, I say that the President was poorly advised when he says that the farmers of America are responsible for the increase in the cost of living.

[Here the gavel fell.]

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin [Mr. KEEFE]?

Mr. McKEOUGH. Mr. Chairman, reserving the right to object, and I will not object, but I would like to ask the gentleman from Wisconsin to point out where the President of the United States accused the farmer as he said he did?

Mr. KEEFE. I will read it to you.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin [Mr. KEEFE]?

There was no objection.

Mr. KEEFE. Mr. Chairman, he discusses in his message on page 7 of the committee report the fact that uncontrolled agricultural commodities are responsible for the critical condition that faces the nation due to the increase in the cost of living.

Mr. McKEOUGH. Will the gentleman yield?

Mr. KEEFE. Not now. I know the gentleman is seeking to inject himself into this discussion.

Mr. McKEOUGH. I am not seeking to do that at all but the gentleman has injected the President into the proposition and he is misquoting him.

Mr. KEEFE. Mr. Chairman, I refuse to yield further.

The President said further:

The greatest danger is in dairy products which are as you know most important items in the American diet. Butter, cheese, evaporated milk are exempt under the Price Control Act. The prices of these have been going up so fast that they constitute a serious threat to the adequate supply of fluid milk. Unless we are able to get control of

butter, cheese, and other dairy products in the near future, the price of milk in the large cities is bound to go up.

What else did he say? I say to you a fact that everyone knows that when Mr. Wickard came out to Wisconsin and told the dairy farmers, "We need 260,000,000 pounds of cheese for lease-lend and we ask you to produce it," they went to work and produced it. He was fair.

He raised the price from 17 cents a pound to 24 cents a pound as an incentive to get them to do it, and when they produced it a surplus developed due to a lack of shipping and the Commodity Credit Corporation arbitrarily reduced the price to 21 cents. Who was to blame for the increase in the price of cheese from 17 cents to 24 cents? Let us be fair in our consideration of this problem.

[Here the gavel fell.]

Mr. THOMAS F. FORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened with a great deal of interest to the eloquent, effective, and very strong statement of the gentleman from Wisconsin. May I say in connection with that matter that I made a trip across the United States no more than 2 weeks ago. I made it both ways. I talked to farmers in the East, in the Middle West, and in the West. All my contact with farmers seemed to prove to me that all they wanted was parity for their products.

The distinguished gentleman from Wisconsin talks about why the price of cheese went up, but I want to tell him something. The people of the United States are not so hot about the price of cheese going up. If you people want to adopt this bill, well and good; I am going to vote against this bill if the Brown amendment is not taken out because it is an abomination before the Lord. It is absolutely not in keeping with what we are trying to do. The Brown amendment provides for the cost of production. The parity question does not involve the cost of production. Therefore, you are talking and voting for something that is not in this bill. You are voting for pure socialism.

The Brown amendment was the reason for the present amendment to the bill. If we had not adopted the Brown amendment, we would not have had this thing before us now. The Brown amendment is an abomination before the Lord, and I am going to vote against the bill if the Brown amendment is not taken out. If Congress wants to be placed in the ridiculous position of voting for unrestrained inflation, it is O. K. by me. But I am against it, and shall so vote.

Mr. McKEOUGH. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from Wisconsin, if I correctly heard him, stated that the President of the United States accused the farmers of being racketeers, in connection with the message that he sent to the Congress of the United States calling on the Congress to take some action with reference to the threatened spiral of inflation.

I asked the gentleman from Wisconsin to quote that language from the Presi-

dent's message, and I challenge him now on my time to quote from the President's message the language that he attributed to the President as having used. I give him time to find it in the message if he can, to find the word "racketeer" when he speaks of the farmer.

Mr. KEEFE. Mr. Chairman, in answer to the distinguished gentleman from Illinois, may I state that I reserve the right, after having listened to all the testimony that has been adduced on this bill, and after reading the President's message and the implications that are to be drawn from that message, to interpret that message as meaning exactly what many men on the gentleman's side have said during the course of the debate he intended to say. He did not use the word "racketeer." It would be obvious, because everyone has read the message.

Mr. McKEOUGH. Mr. Chairman, I decline to yield further.

Mr. KEEFE. But I still say that I think that is what he intended to mean.

Mr. McKEOUGH. I merely want to say in conclusion that the gentleman from Wisconsin has qualified and explained away the charge that he made when he addressed the House, and satisfactorily explained it away, when he charged the President with having accused the farmer of being a racketeer. He now indicates that by reason of some statements made by Members of the House he wants to accept that the President of the United States implied that the farmers are racketeers. I know that the President of the United States needs no defense at my hands, and I challenge the gentleman from Wisconsin, or any other Member of this House or any citizen of the United States, to indicate where the President of the United States, from the moment that he first raised his hand heavenward on the 4th day of March 1933, has not proven to be, as President at least, the best friend the American farmer ever had.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. McKEOUGH. I am sorry, I have only 2 or 3 minutes more.

Mr. CASE of South Dakota. The gentleman made a challenge.

Mr. McKEOUGH. The gentleman can take his own time.

I wonder if the gentleman from South Dakota, who is now so excited, remembers that on the 4th day of March 1933 cotton was traded at 5 cents a pound, corn at the grain elevators of the country was selling at 10 cents a bushel and less, and wheat was traded on the Chicago Board of Trade and the other commodity exchanges of the world at lower prices than it has ever been traded since Queen Elizabeth's time. That is the record, on March 4, 1933, and that is what President Roosevelt inherited from Mr. Hoover's regime. The mirage that was offered to the farmer by the Republican spokesmen for 40 years—and that is all it was, a painted rainbow of happy days around the corner—never came to fruition. I challenge the Republicans, I challenge the critics of the President, I challenge those who presume to speak for the farmers of America to name me a

better friend of the American farmer than Franklin Delano Roosevelt.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman—

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Missouri yield for a parliamentary inquiry?

Mr. CANNON of Missouri. I yield.

Mr. CASE of South Dakota. I was simply going to ask, in view of the fact that I opened this debate on my amendment and used only a part of my 5 minutes, whether I could ask for recognition again to use the balance of my 5 minutes.

The CHAIRMAN. The gentleman may rise in opposition to some amendment if he wants to, but his time was used at the time he was recognized.

Mr. CANNON of Missouri. Mr. Chairman, we have had a great many intemperate statements here this afternoon and it might be well for us to come down to a few facts and along with them a little of the milk of human kindness and the American spirit of fair play.

And by way of preliminary may I revert to the very interesting speech of my distinguished colleague, the gentlewoman from New Jersey, with whom it has been my honor and pleasure to work for many years. It has always been my good fortune to find myself in full accord with her legislative program and I am certain that on the fundamentals this occasion is no exception to the rule. We are both agreed today—as we always have been agreed—on the profound basic postulate that the laborer is worthy of his hire—whether he labored in the factory or on the farm. And that is the only question involved here: Is the farm laborer as worthy of his hire as any other laborer? Or is the farm laborer to be put off in a class by himself—to receive less while every other laborer receives more?

On all such questions it has been my pleasure and privilege to follow the high leadership of the gentlewoman from New Jersey in many a hard-fought battle in defense of the rights of labor on this floor. I have voted for every bill which she and the great committee over which she presides has reported to the House.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. And may I say to the gentleman that I have voted for every agricultural bill that has come before the Congress.

Mr. CANNON of Missouri. That is true and I am glad to have this opportunity to express my appreciation. I trust she will not grow weary of well-doing.

The gentlewoman deprecates the cost to the consumer which may result from the enactment of this bill—and with special reference to the cost of food to her constituency. I can well understand her position on a bill affecting the people of her district because I have been placed in precisely the same position by bills which she has reported out. Every bill passed by this House raising wages or otherwise benefiting labor has resulted

in increased prices to the consumers of my district. Every time labor was given a well merited increase in pay the people of my district had to pay their part of the increase—just as the people of her district pay their part of any increase imposed by this bill. I have repeatedly voted to make my constituents pay the gentlewoman's constituents more money in higher wages. When this is taken into consideration I do not believe there will be any objection if, in return, the women and children of the lady's district pay a very small increase in the price of their food in order to provide a decent wage for the man who worked so hard to grow it.

But there is balm in Gilead. It will be comforting to those who are disturbed by recent increases in the price of food to know that the consumer is paying less today proportionately for food than at any time in recent years. The Department of Agriculture reports that notwithstanding the rise in food prices the consumer is paying a smaller percentage of his income for food than at any time in the last 30 years.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. Certainly.

Mrs. NORTON. I do not think the gentleman has done very much shopping lately or very much marketing or he would find out that what he says is absolutely not true.

Mr. CANNON of Missouri. Happily, the statement is not mine but is part of the report recently issued by the Bureau of Agricultural Economics, and corroborated by statistics from the Bureau of Labor Statistics. I shall be glad to submit the tables on which the statement is based.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Texas.

Mr. POAGE. The Secretary of Agriculture appeared before the Committee on Agriculture this morning and made that identical statement and said that labor was today paying the smallest percentage of its income for food and fiber that it had paid since the last World War.

Mr. CANNON of Missouri. I thank the gentleman. All authorities agree that the consumer is getting comparatively cheaper food today than ever before in this generation. The Nation has been getting its food at bargain-counter prices ever since the last war. And the farmer has been paying more for everything he bought from labor and industry.

But why this sudden concern for the consumer? We have passed dozens of bills here in the House increasing prices and wages and no one mentioned the consumer. But when we take up a bill providing a decent wage for the farmer our friends for whom we have been voting high wages and high prices all these years, grow suddenly solicitous of the consumer. It seems to make a great deal of difference whose bull is gored.

We passed the wage-and-hour bill increasing the cost of every item the farmer buys—and no one said a word about the consumer.

We passed the hot oil bill not long ago increasing the price of every gallon of oil and gas used in the farmer's tractor and no mention was made of the consumer.

We passed the transportation amendment under which the farmer's freight rates were increased and no one considered the consumer.

We passed, at this session of Congress, the famous coal bill saddling additional costs on the farmer, and not a word in the debate about the consumer.

It is only when the farmer—the last man to present his bill—asks for a small part of the same treatment given everybody else—in order to make ends meet and supply the table of the Nation three times a day—that we hear these agonized cries about the consumer. And do not forget that the farmer is asking less and receiving less, whether measured by prices or by participation in the national income, than anyone else has asked or been given.

But here is the significant feature of the situation. Labor itself does not object to paying a fair price for what it eats and wears. I have just mentioned the enactment of the coal bill and here is a telegram which came in this morning:

Hon. CLARENCE CANNON,

Washington, D. C.:

District 50 United Mine Workers of America presented the case in behalf of our farmers to the Congress through its respective committees urging the inclusion of all costs of production including the cost of labor in determining minimum farm prices. This is absolutely necessary to enable farmers to compete in the labor market for available labor to produce the food to win the war and write the peace. Parity prices not including cost of labor would force farmers to produce at wages from \$3 to \$6 per week in behalf of the farmers affiliated with District 50. We respectfully urge your support of proposed amendments to include the cost of all labor used in farm production in the calculation of parity prices. It seems to us that we as a nation can honorably do no less.

O. E. GASAWAY,

President, District 50, United Mine Workers of America.

Labor does not want to mooch its food. It is willing to live and let live. Every honest workingman wants to pay his bills. Not a workingman in the Nation wants to exploit the unrequited toil of the farmer who feeds him.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Now, what does the Brown amendment, which has stirred all this teapot tempest, propose to do? It is the simplest, fairest, squarest proposition in the world. It merely proposes for the farmer what is done by every other businessman on earth. It merely proposes to include the cost of labor along with his other costs of production. Every other producer in the Nation does that. Every businessman figures in the cost of

labor in computing his cost of production. Do you know any man or any business—individual or corporate—anywhere which does not include labor in estimating costs. If you ever do find one, you will find him going into bankruptcy when he strikes his first balance sheet.

Now, if everybody else counts labor in its cost of production, why should not the farmer count labor in the cost of production? Is there anyone here who will rise and tell us why the farmer should not include the cost of labor when everybody else does? That is all there is to the Brown amendment. Why all this commotion over the farmer following the same rule everybody else follows?

Why, my good friend from California is so perturbed that he refers to it as the "damned bill."

Mr. THOMAS F. FORD. I said it was a damn bill. Will the gentleman yield? Mr. CANNON of Missouri. In just a minute.

Why does the gentleman consider it a damned bill? It was all right up to the time this amendment was adopted. What has damned it forever in his eyes is that a majority of this House thought it ought to be amended. Is he unwilling to abide by the judgment of a majority of the House? Rule of the majority is not only democratic doctrine, it is American doctrine. It is the principle on which this Government is founded. The gentleman is in the minority—a decided minority—and yet because an overwhelming majority of the House amends the bill he terms it a damned bill. I love my friend from California. He is the finest fellow in the world. I appreciate his enthusiasm and enjoy his picturesque language and now having expressed himself forcibly and emphatically I am certain he will go along with the rest of the brethren in harmony and good fellowship.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. CANNON of Missouri. I yield to my friend from California.

Mr. THOMAS F. FORD. I just made a trip across the continent, both ways, and I have talked to farmers all the way across, and all they ever said to me that they wanted was parity. The gentleman wants something that is entirely beyond parity—10 to 12 to 15 percent. The farmers do not want that.

Mr. CANNON of Missouri. The gentleman is exactly right and his deductions are accurate. The farmer asks only parity, and he is the only producer today who voluntarily accepts parity. But parity when farm labor is a dollar a day is not parity when labor is \$8 a day. The farmer has never asked more than actual parity. When ceilings were pegged at 110 percent it was to permit the usual market fluctuations between the statutory 85-percent loan floors and the 110-percent ceilings, which, on yearly averages, would have given approximately 100 percent of parity or a little less, and the farmer is asking for bare parity in this bill. He merely asks in the Brown amendment that the change in farm wages be taken into consideration. Farm prices which are at parity when wages are low are far below parity when

wages are high. The gentleman from California and I are together on that. We ask only parity. But parity in 1940 is not necessarily parity in 1942, and peacetime parity and war-disjointed parity are two different things. The only way we can be certain of securing absolute parity at all times is through the Brown amendment.

And just a word on inflation. It is charged that the amendment is inflationary. Inflation is never mentioned without being charged to the farmer. How could farm prices bring about inflation when farm products constitute only 10 percent of the cost of living, whereas labor constitutes 70 percent. Which is in position to start the spiral of inflation, the 10 percent or the 70 percent or the remaining 20 percent?

Which is inflationary, the cost of cotton in a shirt or the cost of making and distributing the shirt? Which is inflationary, the cost of the wheat in a loaf of bread or the cost of producing and distributing the loaf? Which is inflationary, the cost of the hide in a pair of shoes or the cost of manufacturing and distributing those shoes? How absurd to say that the comparatively inconsequential cost of raw materials bring about inflation.

Mr. Chairman, with the Brown amendment, this bill will serve the dominant objective of the American people today. It will produce food and fiber to win the war. We cannot produce it for less. The farmer would produce for less if he could, but it is a physical and financial impossibility.

And let it never be forgotten that on the farm, loyalty and devotion to duty and pure Americanism flames brightest. There has never been a strike or a shut-out on the American farm. Production never stops, weekdays, Sundays, or holidays, as long as the price he receives keeps soul and body together. He is doing a grand job. This bill as amended will enable him to carry on. It will give him bare parity. And with that he is content.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. THOMAS F. FORD rose.

The CHAIRMAN. For what purpose does the gentleman from California, a member of the committee, rise?

Mr. THOMAS F. FORD. Mr. Chairman, I move to strike out the last word. I want to repeat what I said before. I have been across this continent both ways and I have talked to farmers and bankers and businessmen, all types of businessmen, and nobody wanted more than parity for farm products, and all this bluster about additional price is just political bunk on the part of the farm bloc.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. THOMAS F. FORD. No; I will not. When you talk about raising the cost of labor to the farmer you are talking about the cost of production, and you are talking about socialism and when you talk about parity you are talking about a situation that has been adopted by the Congress of the United States, and you boys who want parity for farm-

ers do not know what the h— you are talking about. The Brown amendment is vicious and inflationary. If left in the bill I shall vote "no." The farmers will be the losers. The politicians who presume to represent them are wrong now as they were when they voted for the original Brown amendment.

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent that the amendment may again be reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection and the Clerk again reported the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE].

The amendment was rejected.

The Clerk read as follows:

SEC. 5. No employer shall pay, and no employee shall receive, any further increase in wages or salaries unless approved by the President or such agency as he may designate. The President shall prescribe the extent to which any wage or salary payment made in contravention of this act shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation: *Provided*, That this section shall not apply to any employer who regularly employs less than eight persons nor to any employee of any employer who regularly employs less than eight persons.

Mr. RICH. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. RICH: On page 4, line 9, after the word "designate" strike out the period, insert a comma and the following language: "excepting regular annual disbursements of extra compensation as has been regularly paid to the employees by the employer."

Mr. RICH. Mr. Chairman, I offer this amendment for this reason: That many employers in this country have a written or implied agreement with their employees whereby at the end of the year, when they determine what their profits are going to be, they make a distribution of income to their employees. Under this amendment the employer would be permitted to continue that distribution. Certainly it should not raise the price of the commodities, because the year is ended and it is a distribution that would give to the employee extra compensation for the services performed during the year, after the company has determined exactly what their income is. They make this distribution of extra compensation to the employees. Heretofore you have tried to raise the price of labor and give to the employee that which he justly deserves. Under this amendment it would be permissible for the employer to do that. If you do not adopt this amendment, then the employer may not be permitted to do so. This will be a terrible injustice to employees, because the bill provides that—no employer shall pay, and no employee shall receive, any further increase in wages or salaries unless approved by the President or such agency as he may designate.

I add to that the words—excepting regular annual disbursements of extra

compensation as has been regularly paid to the employees by the employer.

This is nothing new. It is something that has been going on in many establishments for years, and they are making regular distributions; you certainly should commend employers who do it, not stop them from paying all that is right and just for the employees to receive.

I hope you will adopt this amendment. It is just. It is honest. It is worthy.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. RICH].

The question was taken; and on a division (demanded by Mr. RICH) there were ayes 47 and noes 82.

So the amendment was rejected.

Mr. DEWEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is with extreme disappointment that after having sat in consideration for 4 months on the Committee on Banking and Currency last summer, after having reconsidered the bill today during 7 hours, I feel I will have to vote against a bill which I have worked on and in which I have a great interest. A bill intended to stop inflation.

The administrative departments of this Government asked additional powers. The President may have been a little brusque in the manner of his asking, but nevertheless we are at war and inflation has almost as many dangerous elements as war.

The insertion of the Brown amendment, which will greatly increase farm prices, changed certain elements that were existent at the time this bill was reported to the House. We took two hitching posts, farm prices that had been stable according to their parity, for about 8 months, and wage levels and living costs that had also been stable. We tried to tie farm prices and wages to those two hitching posts and now by the addition of the Brown amendment this will be impossible as farm prices and living costs will be raised.

As I understand from data coming from the Office of Price Control the necessary food of the people, pork chops and lamb chops and round steaks and other food, will advance at least 10 percent. Is that the way to stop price rises? The way to stop price rises is to stop them.

I cannot help but believe that the President in his wisdom would have thought of other means to put men back on the farm than by competing with wages paid in war industries and get us the food that this country and our soldiers will need. I cannot help but think that there would have been means devised other than by changing the parity, which the President asked not to be changed, for properly paying wages to farm help. I want living costs stabilized because there are others besides wage earners and farmers who are affected. I am thinking of those who are tied to salaries and fixed incomes, of which there are 64,000,000 in our country. So I shall vote against the Brown amendment and vote against the bill, which might have been a bill to aid in checking inflation. In its present form, containing the

Brown amendment, it will restart the price race between farm commodities and wages.

[Here the gavel fell.]

[Mr. MICHENER addressed the Committee. His remarks will appear hereafter in the Appendix.]

The pro forma amendments were withdrawn.

The Clerk read as follows:

Sec. 6. The foregoing provisions of this act, and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President, may prescribe.

Sec. 7. The act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes", approved July 1, 1941 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a-8), is amended by inserting at the end thereof the following new section:

"Sec. 5. The Secretary of Agriculture is authorized and directed to make loans and purchases and to carry on other operations with respect to nonbasic agricultural commodities for which he finds it necessary to encourage the expansion of production and with respect to basic agricultural commodities, harvested after December 31, 1941, and before the expiration of the three-year period beginning with the 1st day of January immediately following the date upon which the President proclaims the termination of hostilities in the present war, regardless of the purpose for which such commodities are produced or used, so as to support the price for the producers of such commodities at not less than 90 percent of the parity price therefor, or at not less than 90 percent of the comparable price therefor if a comparable price has been established under this act. In the case of agricultural commodities on which loans are made, such loans shall be made at 90 percent of the parity price therefor, or at 90 percent of the comparable price therefor if a comparable price has been established under this act."

Sec. 8. Any individual, corporation, partnership, or association willfully violating any provision of this act, or of any regulation promulgated thereunder, shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than 1 year, or to both such fine and imprisonment.

Mr. EBERHARTER. Mr. Chairman, after listening to the debate yesterday and the debate on all of the amendments today, I have arrived at the definite conclusion that the net result of this bill, if it becomes law, will have an inflationary tendency; that is, if the bill is passed with the so-called Brown amendment in it.

This bill places a floor under farm prices for a period of 3 years after the war. It places a ceiling, to a certain extent, on wages, but it also provides that no action can be taken to hold down wages until they have reached a certain point. The net result is that there will be an inflationary period of many months, perhaps indefinitely. I am under the impression, therefore, that the country would be much better off without a measure of this sort. I believe the President can and will act with better effect under the emergency powers he has already. I shall therefore vote against final passage if the bill contains the Brown amendment.

(Mr. EBERHARTER asked and was given permission to revise and extend his remarks.)

By unanimous consent, the pro forma amendment was withdrawn.

The Clerk read as follows:

Sec. 9. Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out "June 30, 1943" and substituting "June 30, 1944."

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: Strike out all after the enacting clause and insert the following:

"That notwithstanding the provisions of any law, the President is authorized and directed to establish by order within 10 days after the enactment of this act maximum prices on agricultural commodities and maximum salaries and wages. Such maximum prices and such maximum salaries and wages shall be the prices and the salaries and wages prevailing on September 23, 1942, and shall be in effect during the period beginning 10 days after the date of enactment of this act and ending 90 days after the date of enactment of this act.

"Sec. 2. (a) It shall be unlawful, regardless of any contract, agreement, or other obligation heretofore or hereafter entered into for any person knowingly—

"(1) To sell or deliver any commodity, or in the course of trade or business to buy or receive any commodity in violation of any order under section 1, or to attempt so to do.

"(2) To receive or pay, or enter into any contract, agreement, or other obligation under which he is entitled or required to receive or pay any salary or wages in violation of any order under section 1, or to attempt so to do.

"(b) Any individual, corporation, partnership, or association willfully violating any provision of subsection (a) of this section shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than 1 year, or to both such fine and imprisonment."

Mr. SMITH of Ohio. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The gentleman from Ohio is recognized for 8 minutes in support of his amendment.

Mr. SMITH of Ohio. Mr. Chairman, the House is not in a very good mood this afternoon and the tension is pretty high. However, I ask you to kindly give me your attention for a few minutes while I explain my amendment.

I am offering this amendment to avoid what can become a dangerous situation. Should the President veto this measure, which it appears he intends to do if it reaches his desk in its present form, and takes matters into his own hands as he told us he would if the Congress did not pass the act he demanded of it—that would be a national disaster.

This amendment which I am offering is simple and direct. It is interim legislation to last for a period of only 90 days. It proposes to stabilize all farm prices and all wages at their present levels.

If this amendment should pass it would effectuate three vitally important objectives.

First. It would give the President everything he could possibly have intended to

include in his demand upon Congress for legislation to check the rising cost of living, and for halting inflation.

Second. It would preserve the constitutional prerogatives and powers of Congress. This is so vital that it should take precedence over nearly all other considerations.

Third. It would provide more time for the careful, thorough, and judicious study of the questions involved, which is needed in the writing of permanent legislation dealing with the disturbing problems of inflation.

This interim legislation would be simple, direct, and specific. It would be free from vagaries and formulas and would require no lawyers to interpret its meaning. It would be safe for it would involve no risk of further complicating present conditions.

If adopted, it would be simple, easy, and comparatively inexpensive to administer. It would have the extraordinary merit of being as free from political and pressure-group influences as any anti-inflation legislation that could be written.

It would be as fair to agriculture and labor as any legislation we could possibly write under the strain and tension the Congress is now laboring, the heated factionalism that has developed over questions related to the stabilizing of farm prices and wages, and the almost total lack of available knowledge necessary to write a measure that would adequately satisfy the demand of the President.

It would do as much to check rising prices as could possibly be expected from any direct price-control legislation.

If this temporary legislation were enacted, it would show the people of this country that the Congress is willing to assume the responsibilities and duties the Constitution imposes upon it.

Of course, there would be uncertainties and inequities under such legislation as here suggested. But would these likely be as great as the ones that will almost certainly result from the legislation now before the House, which has had little or no consideration, and which is loaded with elements that are subject to all sorts of political influences and pressures? Such inequities and uncertainties as would appear could be corrected in the permanent legislation.

No one knows how near upon us uncontrollable inflation may be. The President thinks the threat of wild inflation is already present. He has so stated. This is a dangerous situation, one that requires strong action. Should this pernicious disease overtake our Nation, not only must every class and group suffer great hardships, lose their life savings, the value of their insurance policies, annuities, and so forth, but it will definitely imperil our war effort and can cause us to lose the war.

Mr. Chairman, the hour may be critical. The President has been given vast powers. Up to the present time he has received, certainly for the most part, through legislation enacted by the Congress the powers he holds. If the President should veto this bill and assume the power he has demanded Congress give him, it will be the first time that he or

any other President arbitrarily assumed such extraordinary authority.

I am now providing by this amendment a fair, forthright, safe, and reasonable way to meet all the demands of the President, preserve the constitutional powers of the Congress, and avoid a possible national disaster.

I hope the amendment is adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 24, noes 132.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, pursuant to House Resolution 540, he reported the same back to the House with sundry amendments agreed to in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demand on any amendment?

Mr. SACKS. Mr. Speaker, I demand a separate vote on the Brown amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment upon which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Georgia: On page 3, at the end of line 14, add the following new paragraph:

"For the purposes of this act parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor."

Mr. SACKS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 205, nays 172, not voting 49, as follows:

[Roll No. 112]

YEAS—205

Allen, Ill.	Brown, Ohio	Crowther
Allen, La.	Bryson	Culkin
Andersen,	Burch	Cunningham
H. Carl	Burgin	Curtis
Anderson, Calif.	Camp	Day
Anderson,	Cannon, Fla.	Dies
N. Mex.	Cannon, Mo.	Disney
Andresen,	Carlson	Domengeaux
August H.	Case, S. Dak.	Dondro
Arends	Chapman	Doughton
Arnold	Chenoweth	Duncan
Barden	Cherfield	Durham
Barnes	C'ark	Dworshak
Beckworth	Clevenger	Elliot, Calif.
Bell	Cluett	Engel
Bennett	Coffee, Nebr.	Englebright
Bishop	Cole, N. Y.	Fish
Bland	Colmer	Flannagan
Eonner	Cooley	Ford, Leland M.
Boren	Copeland	Ford, Miss.
Boykin	Cravens	Fulmer
Brooks	Crawford	Gathings
Brown, Ga.	Creal	Gearhart

Gibson	Kilburn	Rivers
Gilchrist	Kinzer	Rizley
Gillette	Kleberg	Robertson,
Gillie	Knutson	N. Dak.
Gossett	Lambertson	Robison, Ky.
Graham	Landis	Rockefeller
Granger	Lanham	Rockwell
Grant, Ala.	Larrabee	Rodgers, Pa.
Grant, Ind.	Lea	Russell
Green	LeCompte	Schulte
Guyer	McGehee	Scrugham
Gwynne	McGregor	Shafer, Mich.
Haines	McIntyre	Short
Hall,	McLaughlin	Sikes
Edwin Arthur	McMillan	Smith, Ohio
Halleck	Mehon	Smith, Wash.
Hancock	Manasco	Smith, Wis.
Hare	Manfield	Sparkman
Harness	Martin, Iowa	Springer
Harris, Ark.	Mason	Starnes, Ala.
Farris, Va.	Michener	Steagall
Hsbert	Miller	Stefan
Heldinger	Mills, Ark.	Stevenson
Hill, Colo.	Mott	Stratton
Hill, Wash.	Mundt	Sumner, Ill.
Hobbs	Murray	Summers, Tex.
Hoffman	Nelson	Sutphin
Hope	Nichols	Sweeney
Houston	O'Brien, N. Y.	Taber
Howell	O'Connor	Talle
Hull	O'Hara	Tarver
Jacobsen	Pace	Terry
Jarman	Patman	Vincent, Ky.
Jenkins, Ohio	Patton	Vinson, Ga.
Jennings	Pearson	Wadsworth
Jensen	Peterson, Fla.	Wene
Johns	Peterson, Ga.	Wheat
Johnson, Ill.	P'erce	Whelchel
Johnson, Ind.	Pittenger	Whitten
Johnson,	Plauche	Whittington
Luther A.	Plumley	Wickersham
Johnson,	Poage	Wilson
Lyndon B.	Rankin, Miss.	Winter
Johnson, Okla.	Reece, Tenn.	Wolverton, N. J.
Jones	Reed, Ill.	Woodruff, Mich.
Jonkman	Reed, N. Y.	Worley
Keeffe	Rees, Kans.	Zimmerman
Kerr	Richards	

NAYS—172

Andrews	Gavagan	Myers, Pa.
Angell	Gerlach	Norton
Paldwin	Gifford	O'Brien, Mich.
Barry	Gore	O'Leary
Bates, Ky.	Gregory	O'Neal
Fates, Mass.	Hall,	Osmers
Beam	Leonard W.	O'Tool
Beiter	Hart	Paddock
Bender	Harter	Pfeiffer,
Bloom	Heffernan	Joseph L.
Poehne	Hess	Pheiffer,
Boggs	Finshaw	William T.
Bilton	Holbrook	Ploeser
Bradley, Pa.	Holland	Priest
Buckle, N. Y.	Holmes	Rabaut
Bulwinkle	Hook	Ramsay
Burdick	Hunter	Ramspeck
Butler	Imhoff	Randolph
Byrne	Izac	Rich
Canfield	Jackson	Robertson, Va.
Capozzoli	Jenks, N. H.	Robinson, Utah
Casey, Mass.	Johnson, W. Va.	Rogers, Mass.
Celler	Kean	Rolph
Clason	Kee	Sabath
Claypool	Kefauver	Sacks
Coffee, Wash.	Kelley, Pa.	Sasser
Cole, Md.	Kelly, Ill.	Satterfield
Cooper	Kennedy,	Scanlon
Courtney	Martin J.	Schuetz
D'Alesandro	Kennedy,	Shanley
Davis, Ohio	Michael J.	Sheridan
Davis, Tenn.	Keogh	Simpson
Delaney	Kilday	Smith, Maine
Dewey	Kirwan	Smith, Pa.
Dickstein	Klein	Smith, Va.
Dingell	Kopplemann	Smith, W. Va.
Dirk'en	Kunkel	Snyder
Ditter	Lesinski	Somers, N. Y.
Downs	Lewis	Spence
Drewry	Lynch	Stearns, N. H.
Eaton	McCormack	Sullivan
Eberharter	McCrannery	Talbot
Edmiston	McKeough	Tenerowicz
Elston	McLean	Th'il
Fellows	Maciejewski	Thom
Fenton	MacIara	Thomas, N. J.
Fitzgerald	Magnuson	Thomason
Fitzpatrick	Marcantonio	Tibbott
Fle'herty	Martin, Mass.	Tinkham
Fogarty	May	Tolan
Folger	Merritt	Treadway
Forand	Meyer, Md.	Van Zandt
Ford, Thomas F.	Mitchell	Voorhis, Calif.
Gale	Monroney	Vorys, Ohio
Gamble	Murdock	Vreeland

Walter	Welch	Woodrum, Va.
Wasielewski	Wigglesworth	Wright
Weaver	Williams	Young
Weiss	Wolcott	Youngdahl

NOT VOTING—49

Blackney	Hartley	Rogers, Okla.
Bradley, Mich.	Hendricks	Romjue
Buckler, Minn.	Jarrett	Sanders
Byron	Johnson, Calif.	Sauthoff
Carter	Kociakowski	Schaefer, Ill.
Cartwright	Kramer	Scott
Cochran	Lane	Shannon
Collins	Ludlow	Sheppard
Costello	Maas	South
Cox	Mills, La.	Thomas, Tex.
Crosser	Moser	Traynor
Cullen	Norrell	Ward
Douglas	O'Day	West
Elliott, Mass.	Oliver	White
Ellis	Patrick	Wolfenden, Pa.
Faddis	Powers	
Gehrmann	Rankin, Mont.	

So the amendment was agreed to.

The Clerk announced the following pairs:

Miss Rankin of Montana for, with Mr. Lane against.

General pairs:

Mr. Cullen with Mr. Blackney.
Mr. Hendricks with Mr. Douglas.
Mr. West with Mr. Hartley.
Mr. Crosser with Mr. Johnson of California.
Mr. Sanders with Mr. Powers.
Mr. Ward with Mr. Wolfenden of Pennsylvania.
Mr. Cochran with Mr. Gehrmann.
Mrs. O'Day with Mr. Scott.
Mr. Kociakowski with Mr. Sauthoff.
Mr. Kramer with Mr. Bradley of Michigan.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. DINGELL. Mr. Speaker, I offer a motion to recommit the bill.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DINGELL. Yes.

Mr. SMITH of Ohio. Mr. Speaker, I have a motion to recommit and I am a member of the committee.

Mr. DINGELL. A point of order. The Chair recognized me.

The SPEAKER. The Chair has not recognized the gentleman to offer a motion to recommit if a member of the minority qualifies. Is the gentleman from Ohio [Mr. SMITH] opposed to the bill?

Mr. SMITH of Ohio. Mr. Speaker, I am opposed to the bill.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Amendment, offered by Mr. SMITH of Ohio, moves to recommit the bill to the Banking and Currency Committee with instructions to report the bill back to the House forthwith with the following amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That notwithstanding the provisions of any law, the President is authorized and directed to establish by order within 10 days after the enactment of this act maximum prices on agricultural commodities and maximum salaries and wages. Such maximum prices and such maximum salaries and wages shall be the prices and the salaries and

wages prevailing on September 23, 1942, and shall be in effect during the period beginning 10 days after the date of enactment of this act and ending 90 days after the date of enactment of this act.

"SEC. 2. (a) It shall be unlawful, regardless of any contract, agreement, or other obligation heretofore or hereafter entered into for any person knowingly—

"(1) To sell or deliver any commodity, or in the course of trade or business to buy or receive any commodity in violation of any order under section 1, or to attempt so to do.

"(2) To receive or pay, or enter into any contract, agreement, or other obligation under which he is entitled or required to receive or pay any salary or wages in violation of any order under section 1, or to attempt so to do.

"(b) Any individual, corporation, partnership, or association willfully violating any provision of subsection (a) of this section shall, upon conviction thereof, be subject to a fine of not more than \$-----, or to imprisonment for not more than ----- year, or to both such fine and imprisonment."

The SPEAKER. The question is on the motion to recommit.

Mr. SMITH of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. SMITH of Ohio), there were—yeas 65, nays 222.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. STEAGALL. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 284, nays 96, not voting 46, as follows:

[Roll No. 113]

YEAS—284

Allen, Ill.	Claypool	Gilchrist
Allen, La.	Clevenger	Gillette
Andersen,	Cluett	Gillie
H. Carl	Coffee, Wash.	Gore
Anderson, Calif.	Cole, Md.	Gossett
Anderson,	Colmer	Graham
N. Mex.	Cooper	Granger
Andresen,	Copeland	Grant, Ala.
August H.	Courtney	Grant, Ind.
Andrews	Cravens	Green
Angell	Crawford	Gregory
Arcnds	Creal	Guyer
Arnold	Culkin	Gwynne
Barden	Cunningham	Ha'nes
Barnes	Curtis	Hall
Bates, Ky.	Davis, Ohio	Edwin Arthur
Bates, Mass.	Davis, Tenn.	Halleck
Beckworth	Day	Hare
Bell	Dies	Harness
Bender	Dirksen	Harris, Ark.
Bennett	Disney	Harris, Va.
Bishop	Domengeaux	Harter
Bland	Dondero	Hébert
Poehne	Doughton	Heidinger
Boggs	Drewry	Hess
Bolton	Duncan	Hill, Colo.
Bonner	Durham	Hill, Wash.
Boren	Dworshak	Hinslaw
Boykin	Eaton	Hobbs
Brooks	Edmiston	Hoffman
Brown, Ga.	Elliott, Calif.	Holbrook
Brown, Ohio	Elston	Holmes
Bryson	Engel	Hope
Bulwinkle	Englebright	Houston
Burch	Faddis	Howell
Burdick	Fellows	Hull
Burgin	Fish	Hunter
Camp	Flannagan	Imhoff
Cannon, Fla.	Folger	Izac
Cannon, Mo.	Ford, Leland M.	Jackson
Carlson	Ford, Miss.	Jacobsen
Case, S. Dak.	Fulmer	Jarman
Chapman	Gathings	Jenkins, Ohio
Chipherfield	Gearhart	Jenks, N. H.
Clark	Gibson	Jennings
Clason	Gifford	Jensen

Johns	O'Brien, N. Y.	Sparkman
Johnson, Ill.	O'Connor	Spence
Johnson, Ind.	O'Hara	Springer
Johnson,	O'Neal	Steagall
Luther A.	Pa...	Stearns, N. H.
Johnson,	Patman	Stefan
Lyndon B.	Patton	Stevenson
Johnson, W. Va.	Peterson, Fla.	Stratton
Jones	Peterson, Ga.	Summer, Ill.
Jonkman	Pierce	Summers, Tex.
Kee	Pittenger	Sutphin
Keefe	Plauché	Sweeney
Kerr	Poeser	Talbot
Kilburn	Plumley	Talle
Kilday	Ppage	Tarver
Kinzer	Powers	Tererowicz
Kleberg	Prict	Terry
Knutson	Ramsay	Thom
Lambertson	Ramspeck	Thomas, N. J.
Lendis	Randolph	Thomson
Langham	Reece, Tenn.	Tibbitt
Larrabee	Reed, Ill.	Tinkham
Lea	Reed, N. Y.	To'an
LeCompte	Rees, Kans.	Treadway
Ludlow	Richards	Van Zandt
McCormack	Rivers	Vincent, Ky.
McGehee	Rizley	Vinson, Ga.
McGregor	Robertson,	Voorhis, Calif.
McIntyre	N. Dak.	Vorys, Ohio
McLaughlin	Robertson, Va.	Vraeland
McMillan	Robinson, Utah	Wadsworth
Magnuson	Robson, Ky.	Weaver
Mabon	Rockefeller	Welch
Mansfield	Rockwell	Wene
Martin, Iowa	Rodgers, Pa.	Wheat
Martin, Mass.	Rogers, Mass.	Whelchel
Mason	Rolph	Whitten
May	Russell	Whittington
Meyer, Md.	Sasser	Wickersham
Michener	Setterfield	Wiggesworth
Miller	Schulte	Williams
Mills, Ark.	Scrusham	Wilson
Monroney	Shafer, Mich.	Winter
Moser	Short	Wolcott
Mott	Stikes	Wolverton, N. J.
Mundt	Smith, Maine	Woodruff, Mich.
Murdock	Smith, Va.	Woodrum, Va.
Murray	Smith, Wash.	Worley
Nelson	Smith, W. Va.	Young
Nichols	Smith, Wis.	Youngdahl
O'Brien, Mich.	Snyder	Zimmerman

NAYS—96

Baldwin	Gamble	Mitchell
Barry	Gavagan	Myers, Pa.
Beam	Gerlach	Norton
Belter	Hall	O'Leary
Bloom	Leonard W.	Osmer
Bradley, Pa.	Hancock	O'Toole
Buckley, N. Y.	Hart	Paddock
Butler	Heffernan	Fearson
Byrne	Holland	Pfeifer
Canfield	Hook	Joseph L.
Capozzoli	Kean	Phelifer
Casey, Mass.	Kefauver	William T.
Celler	Kelley, Pa.	Rabaut
Chenoweth	Kelly, Ill.	Rankin, Miss.
Coffee, Nebr.	Kennedy,	R'h
Cole, N. Y.	Martin J.	Sabath
Cooley	Kennedy.	Sacks
Crowther	Michael J.	Scanlon
D'Alesandro	Keogh	Schuetz
Delaney	Kirwan	Shanley
Dewey	Klein	Sheridan
Dickstein	Kopplemann	Simpson
Dingell	Kunkel	Smith, Ohio
Ditter	Lesinski	Smith, Pa.
Downs	Lewis	Somers, N. Y.
Eberharter	Lynch	Starnes, Ala.
Fenton	McGranery	Sullivan
Fitzgerald	McKeough	Taber
Flitzpatrick	McLean	Thill
Flaherty	Maciejewski	Walter
Fogarty	Maziora	Wasielewski
Forand	Manasco	Weiss
Ford, Thomas F.	Marcantonio	Wright
Gale	Merritt	

NOT VOTING—46

Blackney	Hartley	Romjue
Bradley, Mich.	Hendricks	Sanders
Buckler, Minn.	Jarrett	Sauthoff
Byron	Johnson, Calif.	Schaefer, Ill.
Carter	Johnson, Okla.	Scott
Cartwright	Kociakowski	Shannon
Cochran	Kramer	Sheppard
Collins	Lane	South
Costello	Maas	Thomas, Tex.
Cox	Mills, La.	Traynor
Crosser	Norrell	Ward
Cullen	O'Day	West
Douglas	Oliver	White
Elliott, Mass.	Patrick	Wolfenden, Pa.
Ellis	Rankin, Mont.	
Gehrmann	Rogers, Okla.	

So the bill was passed.

The Clerk announced the following pairs:

Miss Rankin of Montana for, with Mr. Lane against.

General pairs:

Mr. West with Mr. Hartley.
Mr. Hendricks with Mr. Douglas.
Mr. Ward with Mr. Wolfenden of Pennsylvania.
Mr. Cullen with Mr. Blackney.
Mrs. O'Day with Mr. Scott.
Mr. Crosser with Mr. Johnson of California.
Mr. Kramer with Mr. Bradley of Michigan.
Mr. Cochran with Mr. Gehrmann.
Mr. Kocalkowski with Mr. Sauthoff.
Mr. Sanders with Mr. Oliver.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their own remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein certain correspondence.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. HARRIS of Arkansas and Mr. WASIELEWSKI asked and were given permission to extend their own remarks in the RECORD.)

Mr. FORAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a radio address by myself.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. MYERS of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a radio address delivered by myself over station WPEN on September 11, 1942.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. KELLY of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein my own remarks made on August 16, 1937.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein certain quotations.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter and 12 telegrams.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from Mr. Thomas, of Winter-set, Iowa, relating to parity and wages.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. O'HARA. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the price-control bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. DITTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the North Penn Reporter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement of policy adopted by the Republican Members of the House.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein excerpts from certain editorials.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in the Committee of the Whole this afternoon and include therein four telegrams.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. JOHNSON of Indiana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a part of the declaration of policies and principles adopted by the Republican conference last night.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[The matter referred to appears in the Appendix.]

LEAVE OF ABSENCE

Mr. CANNON of Missouri. Mr. Speaker, I am glad to report a great improvement in the condition of my colleague the gentleman from Missouri [Mr. SHANNON] who has been detained on account of serious illness. He is still detained at home by order of his physician. I ask unanimous consent that he be granted leave of absence for the remainder of the session.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. MAGNUSON. Mr. Speaker, the gentleman from Maryland [Mr. COLE] was unavoidably detained today. I ask unanimous consent that he be permitted to extend his own remarks in the RECORD and include therein an address delivered by the Petroleum Coordinator for War and the Secretary of the Interior, the Honorable Harold L. Ickes, before the Baltimore Advertising Club on Wednesday last.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

[The matter referred to appears in the Appendix.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. OLIVER (at the request of Mr. BLAND), indefinitely, on account of official committee business.

To Mr. ROMJUE (at the request of Mr. NELSON), for an indefinite period, on account of illness.

ENROLLED BILLS SIGNED

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 6921. An act to amend the Soil Conservation and Domestic Allotment Act to au-

authorize payments in cases where farmers' crops are acquired, prior to harvest, in connection with the acquisition of their farms for use in the national war effort, and to provide for the division of such payments.

H. R. 7114. An act to amend the Library of Congress Trust Fund Board Act; and

H. R. 7273. An act to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931, as amended.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 6362. An act to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929;

H. R. 6401. An act to amend section 7 of the act entitled "An act to incorporate the American War Mothers," approved February 24, 1925 (43 Stat. 966; title 36, sec. 97, U. S. C., 1940 ed.);

H. R. 7235. An act to amend the District of Columbia Emergency Rent Act;

H. R. 7399. An act to increase the penalty for indecent exposure in the District of Columbia;

H. J. Res. 271. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1942, General Pulaski's Memorial Day for the observance and commemoration of the death of General Casimir Pulaski; and

H. J. Res. 344. Joint resolution authorizing extensions of time for filing of return of capital stock tax in 1942.

ADJOURNMENT

Mr. SPENCE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 45 minutes p. m.) the House adjourned until tomorrow, Thursday, September 24, 1942, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(Wednesday, September 30, 1942)

The Committee on the Merchant Marine and Fisheries will hold a public hearing on Wednesday, September 30, 1942, at 10:30 o'clock a. m., on H. R. 7543, to provide for the issuance of a device in recognition of the services of merchant sailors.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1916. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to amend the act approved July 24, 1941 (34 U. S. C., Supp. I, 350f), so as to adjust the pay status of enlisted personnel appointed to commissioned rank for temporary service, and for other purposes; to the Committee on Naval Affairs.

1917. A letter from the Archivist of the United States, transmitting a list of papers recommended to him for disposal by certain agencies of the Federal Government; to the Committee on the Disposition of Executive Papers.

1918. A letter from the Secretary of War, transmitting a draft of a proposed bill to amend Article of War 52; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. O'LEARY: Committee on Expenditures in the Executive Departments. S. 2722. An act to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge; without amendment (Rept. No. 2478). Referred to the Committee of the Whole House on the state of the Union.

Mr. PACE: Committee on Agriculture. H. R. 7059. A bill to amend section 385 of the Agricultural Adjustment Act of 1938, as amended, so as to facilitate farmers in the service of the United States receiving the benefits of the farm program; with amendment (Rept. No. 2479). Referred to the Committee of the Whole House on the state of the Union.

Mr. McLAUGHLIN: Committee on the Judiciary. S. 2731. An act to suspend until June 30, 1945, the running of the statute of limitations applicable to violations of the antitrust laws; without amendment (Rept. No. 2480). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SUTPHIN:

H. R. 7589. A bill authorizing payment of a clothing allowance to members of the Fleet Reserve; to the Committee on Naval Affairs.

By Mr. TREADWAY:

H. R. 7590. A bill to repeal the Silver Purchase Act of 1934; to the Committee on Ways and Means.

By Mr. EDMISTON:

H. R. 7591. A bill to establish an Office of Technological Mobilization, and for other purposes; to the Committee on Military Affairs.

By Mr. CLASON:

H. R. 7592. A bill to provide for the settlement of certain claims arising out of the establishment, expansion, or operation of arsenals, navy yards, and other Government-operated plants; to the Committee on Military Affairs.

By Mr. CLEVENGER:

H. R. 7593. A bill to amend the Federal Insurance Contributions Act with respect to the rate of taxes thereunder for the year 1943; to the Committee on Ways and Means.

By Mr. O'TOOLE:

H. Res. 541. Resolution creating a special committee to investigate certain activities of the War Department; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Ohio:

H. R. 7594. A bill granting an increase of pension to Anna E. Rhoades; to the Committee on Invalid Pensions.

By Mr. CARTER:

H. R. 7595. A bill for the relief of Beatrice Oliver and Ruth Oliver; to the Committee on Claims.

By Mr. MARTIN of Iowa:

H. R. 7596. A bill to reinstate John B. Day, a captain, United States Army, retired, to the

active list of the Regular Army; to the Committee on Military Affairs.

By Mr. SUTPHIN:

H. R. 7597. A bill for the relief of Edward W. Rapp; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XII, petitions and papers were laid on the Clerk's desk and referred as follows:

3326. By Mr. BULWINKLE: Petition of Maebell Calhoun and various citizens of Gaston County, requesting the passage of Senate bill 860 and House bill 4000; to the Committee on Military Affairs.

3327. Also, petition of Jesse Blalock, of Shelby, N. C., and members of Czar Baptist Church, petitioning for the passage of Senate bill 860 and House bill 4000; to the Committee on Military Affairs.

3328. Also, petition of Mrs. A. B. Clayton and various citizens of Gaston County, petitioning for the passage of Senate bill 860 and House bill 4000; to the Committee on Military Affairs.

3329. By Mr. LAMBERTSON: Petition of Mrs. J. A. Alexander, Topeka, Kans., and 123 others, appealing to Congress for legislation which will provide the largest possible protection for the men in our Army and Navy against the insidious influence of vice and intoxicating liquors, and requesting passage of the Sheppard bill at an early date; to the Committee on Military Affairs.

3330. Also, petition of the George W. Hood Unit, No. 91, American Legion Auxiliary of Washington, Kans., requesting legislation covering all prices (including wages) and thus protect our Nation against further ravages of wartime inflation; to the Committee on Banking and Currency.

3331. By Mr. LeCOMPTE: Petition of N. L. Veltman and other members of the Christian Reformed Church, Prairie City, Iowa, urging passage of the Sheppard bill, Senate bill 860, at an early date; to the Committee on Military Affairs.

3332. Also, petition of Rev. R. Vernon Pike and members and friends of the Pleasant View Methodist Church at Kilddruff, Iowa, in the interest of the boys of their church and Sunday school who are in the armed forces as well as all others, respectfully urging the passage of such legislation as will provide the largest possible protection for the men and women in our Army and Navy and ordnance plants against the destructive influences of vice and intoxicating liquors including beer, and especially urging the passage of the Sheppard bill, S. 860, at an early date; to the Committee on Military Affairs.

3333. By Mr. MICHENER: Petition submitted by Mrs. Beryl B. Ashley, of Adrian, Mich., and signed by 143 other residents of the community, urging the enactment of Senate bill 860; to the Committee on Military Affairs.

3334. By Mr. ROLPH: Resolution of the San Francisco Board of Supervisors, adopted August 17, 1942, relative to proposed legislation seeking to relieve the financial burden on the Golden Gate Bridge by limiting the free-toll privilege extended to the Federal Government; to the Committee on Military Affairs.

3335. Also, resolution of the San Francisco Board of Supervisors, adopted August 17, 1942, relative to proposed legislation seeking to relieve the financial burden on the Golden Gate Bridge by limiting the free-toll privilege extended to the Federal Government; to the Committee on Military Affairs.

3336. Also, resolution of the California Cattlemen's Association, adopted September 10, 1942, that if Congress deems it advisable to enact legislation placing a ceiling on prices of agricultural products, that the ceiling

Aug. 1. 24

77TH CONGRESS
2D SESSION

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24 (legislative day, SEPTEMBER 21), 1942

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. DOWNEY to the joint resolution
(S. J. Res. 161) to aid in stabilizing the cost of living,
viz:

1 On page 4, line 14, after "SEC. 4." insert "(a)".

2 On page 5, after line 6, insert the following new sub-
3 section:

4 "(b) Nothing in this joint resolution shall prohibit the
5 payment by any employer, or the acceptance by any em-
6 ployee, of (1) any wages or salaries provided for in any
7 contract entered into in good faith in the ordinary course of
8 business prior to September 15, 1942, or (2) any wages or
9 salaries provided for by the terms of any option, renewal,
10 or extension provision contained in such contract; except

1 that adjustments may be made by the President with respect
 2 to any such wages or salaries to the same extent that adjust-
 3 ments may be made by him with respect to wages and
 4 salaries in other cases under this joint resolution."

77TH CONGRESS
 2D SESSION

S. J. RES. 161

AMENDMENTS

Intended to be proposed by Mr. Downey to the
 joint resolution (S. J. Res. 161) to aid in
 stabilizing the cost of living.

SEPTEMBER 24 (legislative day, SEPTEMBER 21), 1942

Ordered to lie on the table and to be printed

77TH CONGRESS
2D SESSION

S. J. RES. 161

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24 (legislative day, SEPTEMBER 21), 1942

Ordered to lie on the table and to be printed

Mr. BARKLEY submitted the following

AMENDMENT

(AS A SUBSTITUTE FOR THE COMMITTEE AMENDMENT, AS AMENDED)

Intended to be proposed by Mr. O'MAHONEY, Mr. TYDINGS, and
Mr. REED to the joint resolution (S. J. Res. 161) to aid
in stabilizing the cost of living, viz:

1 On page 4, line 2, strike out all after the word "inequi-
2 ties" through the word "inequities" in line 13, as amended,
3 and insert in lieu thereof the following: "*: Provided*
4 *further*, That modifications shall be made in maximum prices
5 established for any agricultural commodity and for com-
6 modities processed or manufactured in whole or substantial
7 part from any agricultural commodity, under regulations to be

1 prescribed by the President, in any case where it appears that
2 such modification is necessary to increase the production of
3 such commodity for war purposes, or where by reason of
4 increased labor or other costs to the producers of such agri-
5 cultural commodity, the maximum prices so established will
6 not reflect such increased costs: *Provided further*, That in the
7 fixing of maximum prices on products resulting from the
8 processing of agricultural commodities, including livestock, a
9 generally fair and equitable margin shall be allowed for such
10 processing”.

77TH CONGRESS
2^D Session

S. J. RES. 161

AMENDMENT

Intended to be proposed by Mr. O'MAHONEY,
Mr. TYDINGS, and Mr. REED to the joint
resolution (S. J. Res. 161) to aid in stabil-
izing the cost of living.

SEPTEMBER 24 (legislative day, SEPTEMBER 21), 1942
Ordered to lie on the table and to be printed

77TH CONGRESS
2^D SESSION

H. R. 7565

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24 (legislative day, SEPTEMBER 21), 1942

Read twice and ordered to lie on the table

AN ACT

To amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That in order to aid in the effective prosecution of the war,
4 the President is authorized and directed to stabilize prices,
5 wages, and salaries affecting the cost of living; and such
6 stabilization shall so far as practicable be on the basis of the
7 levels which existed on August 15, 1942. In exercising the
8 authority conferred by this Act, the President may provide
9 for making adjustments with respect to such prices, wages,
10 and salaries to the extent that he finds necessary to correct
11 gross inequities.

1 SEC. 2. The President may, from time to time, promul-
2 gate such regulations as may be necessary and proper to
3 carry out any of the provisions of this Act, and may exercise
4 any power or authority conferred upon him by this Act
5 through such department, agency, or officer as he shall direct.

6 SEC. 3. Notwithstanding any provision of the Emergency
7 Price Control Act of 1942, no maximum price shall be estab-
8 lished or maintained for any agricultural commodity under
9 authority of this Act or otherwise below a price which will
10 reflect to producers of agricultural commodities the higher of
11 the following prices, as determined and published by the Sec-
12 retary of Agriculture—

13 (1) The parity price for such commodity (adjusted
14 by the Secretary of Agriculture for grade, location, and
15 seasonal differentials) or, in case a comparable price
16 has been determined for such commodity under and in
17 accordance with the provisions of section 3 (b) of the
18 Emergency Price Control Act of 1942, such comparable
19 price (adjusted in the same manner) ; or

20 (2) The highest price received by the producers
21 for such commodity from January 1, 1942, to Septem-
22 ber 15, 1942, inclusive (adjusted by the Secretary of
23 Agriculture for grade, location, and seasonal differen-
24 tials), or, if the market for such commodity was inactive
25 during the latter half of such period, a price for the

commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use;

and no maximum price shall be established or maintained under authority of this Act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section: *Provided, however,* That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a fair and reasonable margin shall be allowed for such processing: *Provided,* That the President may adjust the price for any commodity between January 1, 1942, and September 15, 1942, to the extent that he finds necessary to correct gross inequities.

For the purposes of this Act parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

SEC. 4. No action shall be taken under authority of this Act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act

1 of 1938, as amended; (2) which is inconsistent with any
2 recommendation or order of any agency of the Federal Gov-
3 ernment affecting the wages or salaries of employees whose
4 cases were pending before such agency on September 15,
5 1942, and were undetermined on the date of enactment of
6 this Act; or (3) with respect to wages or salaries which have
7 not reached a 15 per centum increased cost of living level
8 above the wages or salaries paid on January 1, 1941; or (4)
9 for the purpose of reducing the wages or salaries for any
10 particular work below the highest wages or salaries paid
11 therefor between January 1, 1942, and September 15, 1942:
12 *Provided*, That the President may adjust wages or salaries
13 to the extent that he finds necessary to correct gross inequities.

14 SEC. 5. No employer shall pay, and no employee shall
15 receive, any further increase in wages or salaries unless ap-
16 proved by the President or such agency as he may designate.
17 The President shall prescribe the extent to which any wage
18 or salary payment made in contravention of this Act shall be
19 disregarded by the executive departments and other govern-
20 mental agencies in determining the costs or expenses of any
21 employer for the purposes of any other law or regulation:
22 *Provided*, That this section shall not apply to any employer
23 who regularly employs less than eight persons nor to any
24 employee of any employer who regularly employs less than
25 eight persons.

1 SEC. 6. The foregoing provisions of this Act, and all
2 regulations thereunder, shall terminate on June 30, 1944, or
3 on such earlier date as the Congress by concurrent resolution
4 or the President, may prescribe.

5 SEC. 7. The Act entitled "An Act to extend the life and
6 increase the credit resources of the Commodity Credit Cor-
7 poration, and for other purposes", approved July 1, 1941
8 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a-8), is
9 amended by inserting at the end thereof the following new
10 section:

11 "SEC. 5. The Secretary of Agriculture is authorized and
12 directed to make loans and purchases and to carry on other
13 operations with respect to nonbasic agricultural commodities
14 for which he finds it necessary to encourage the expansion
15 of production and with respect to basic agricultural com-
16 modities, harvested after December 31, 1941, and before the
17 expiration of the three-year period beginning with the 1st day
18 of January immediately following the date upon which the
19 President proclaims the termination of hostilities in the present
20 war, regardless of the purpose for which such commodities
21 are produced or used, so as to support the price for the pro-
22 ducers of such commodities at not less than 90 per centum
23 of the parity price therefor, or at not less than 90 per centum
24 of the comparable price therefor if a comparable price has
25 been established under this Act. In the case of agricultural

1 commodities on which loans are made, such loans shall be
2 made at 90 per centum of the parity price therefor, or at
3 90 per centum of the comparable price therefor if a compa-
4 rable price has been established under this Act.”

5 SEC. 8. Any individual, corporation, partnership, or asso-
6 ciation willfully violating any provision of this Act, or of any
7 regulation promulgated thereunder, shall, upon conviction
8 thereof, be subject to a fine of not more than \$5,000, or to
9 imprisonment for not more than one year, or to both such
10 fine and imprisonment.

11 SEC. 9. Section 1 (b) of the Emergency Price Control
12 Act of 1942 is hereby amended by striking out “June 30,
13 1943” and substituting “June 30, 1944”.

Passed the House of Representatives September 23,
1942.

Attest:

SOUTH TRIMBLE,

Clerk.

others who are interested in the welfare of that island possession. I should like very much to refer it to the chairman of the Committee on Territories and Insular Affairs, and ask him to appoint a subcommittee to make an investigation of the matters indicated in the correspondence to which I have referred.

Mr. TYDINGS. Mr. President, I know well that the conditions in Puerto Rico are very strained. The fact that there is very limited shipping between the mainland and the island has caused food and other shortages, and has likewise hampered the sale of Puerto Rican products on the mainland. That is a condition which has evolved out of the war.

Mr. TRUMAN. I understand that.

Mr. TYDINGS. To make a complete survey of the conditions in Puerto Rico and find a remedy would, in my humble judgment, entail the doing of one of two things: Either a subcommittee of the Special Committee to Investigate the National Defense Program, or a subcommittee of the Committee on Territories and Insular Affairs would have to visit Puerto Rico and spend at least 2 or 3 weeks there, if they were to make a comprehensive survey of the conditions, and provide a remedy which would go to the root of the trouble. I believe the Senator's committee, which already has money, and a staff of research experts and others in position to gather information, and which is already in being, and equipped for that purpose, should make the survey. The Committee on Territories and Insular Affairs would have to have special authorization to secure the money and the staff sufficient to do the work.

Inasmuch as that committee does not have the authority, money, or the staff, and the Senator's committee does have the facilities, I should not feel that he would be infringing upon the normal prerogatives of the committee of which I am chairman if he and his committee should undertake the survey.

Mr. TRUMAN. I thank the Senator very much, but I did not want to infringe on the prerogatives of any legislative committee.

Mr. CHAVEZ. Will the Senator yield?

Mr. TRUMAN. I yield.

Mr. CHAVEZ. I disagree with the chairman of the Committee on Territories and Insular Affairs concerning the investigation under discussion for the reason that I believe the functions of the Truman committee apply only to certain matters pertaining to the war effort, while the letters submitted by the Senator from Missouri [Mr. TRUMAN] have to do with the general economic and other conditions in Puerto Rico at this time. I realize the handicap which the chairman of the Committee on Territories and Insular Affairs would find himself under if he were to undertake this work. Nevertheless, if any committee should make an investigation of the conditions in Puerto Rico at this time it should be the Committee on Territories and Insular Affairs.

Mr. TYDINGS. I think under normal conditions the point of the Senator from New Mexico would be sound. If I may

differ with him, I do so because of this outstanding fact: The need in Puerto Rico is for immediate action, and to get all the machinery necessary, to get the staff together, as well as the authority to do this work, would take an additional 2 or 3 weeks. We would have to get men who are now very difficult to find. It was with that thought in mind primarily that I felt that the committee headed by the Senator from Missouri would be better able to do the work than the Committee on Territories and Insular Affairs. If the Senator's committee were to do the work, 3 weeks to a month's time would be saved, and that time is vital to the people of Puerto Rico.

The VICE PRESIDENT. The correspondence referred to by the Senator from Missouri will be referred to the Committee on Territories and Insular Affairs.

ADDRESS BY SECRETARY KNOX BEFORE NATIONAL CONVENTION OF THE AMERICAN LEGION

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD the address delivered by Hon. Frank Knox, Secretary of the Navy, before the National Convention of the American Legion, at Kansas City, Mo., on September 19, 1942, which appears in the Appendix.]

THE STRUGGLE OF BALKAN PEOPLES FOR FREEDOM—ADDRESS BY DR. CONSTANTIN FOTITCH.

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an address by Dr. Constantin Fotitch, Minister from Yugoslavia to the United States, before the Institute on World Problems of the World Federation of Educational Associations, which appears in the Appendix.]

GENERAL BACKGROUND OF FAR EASTERN CULTURE—ADDRESS BY DR. PAUL MONROE

[Mr. GEORGE asked and obtained leave to have printed in the RECORD an address entitled "General Background of Far Eastern Culture," delivered by Dr. Paul Monroe to the Institute on World Problems of World Federation of Educational Associations, Washington, D. C., which appears in the Appendix.]

RUBBER FOR FARM OPERATIONS—ADDRESS BY E. T. TAYLOR

[Mr. THOMAS of Idaho asked and obtained leave to have printed in the RECORD an address entitled "Synthetic Rubber or We Perish," delivered by E. T. Taylor, master of the Idaho State Grange, at Pendleton, Oreg., September 4, 1942, which appears in the Appendix.]

EDUCATE FOR DEMOCRACY

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by Harry Daniels, entitled "Educate for Democracy," which appears in the Appendix.]

FOOD WILL WIN THE WAR—ARTICLE BY ROBERT A. HUDSON

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD an article by Robert A. Hudson, of Portland, Oreg., entitled "Food Will Win the War," which appears in the Appendix.]

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its

clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President.

S. 2686. An act to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin-American republics in military and naval matters";

S. 2698. An act to make transportation and storage facilities available for military use where military necessity exists, by authorizing the removal to other points of merchandise in customs custody; and

S. 2747. An act to authorize a reduction in the course of instruction at the United States Military Academy.

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

Mr. BROWN obtained the floor.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BILBO. I wish to present two telegrams, one from the best informed cotton man of the South, and one from some of the leading cotton raisers of Mississippi, which I ask to be read by the clerk.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The telegrams were read as follows:

MEMPHIS, TENN., September 23, 1942.

Hon. THEODORE G. BILBO,
Senate Office Building,
Washington, D. C.:

National Cotton Council just completed survey current cotton farm labor costs. September 1942 labor costs 251 percent of same costs 1940.

Bureau Agricultural Economics estimates cost production 1940 crop 9.6 cents per pound lint cotton. Using B. A. E. formula and applying increases in labor and other costs prevailing September 1942, cost production 1943 and subsequent crops will be increased to approximately 21.5 cents per pound lint cotton, based on preceding 10-year average yield, assuming pending legislation freezes all labor and other costs at current levels.

Cotton production cannot be maintained unless these facts are recognized. Strongly urge your support of amendment requiring inclusion farm labor costs in calculating parity price.

OSCAR JOHNSTON,
President National Cotton Council.

WESTPOINT, MISS., September 23, 1942.

Senator THEODORE G. BILBO,
Washington, D. C.

DEAR SENATOR BILBO: Clay County farmers 100 percent for all-out war effort to last man and dollar. We support measures to control inflation that puts all groups on same level. We believe Congress should exercise prerogative in such matters and permit no dictatorial power by President. Administration has fiddled while wages have soared to outrageous levels beyond which public will not tolerate. In many instances present wage levels have been established by strikes at expense of our war effort. At same time prices on farm commodities have been pegged by loans. Farmers not willing to furnish all shock troops to control inflation. We ask that ceiling on wages be set at comparable level with farm prices. We further ask that ceiling on farm commodities not be fixed at less than parity prices adjusted to cover all labor costs and that loan rates be raised to 90 percent of parity instead of 85 percent and

adjusted for all increased labor and production costs. Approved by directors Clay County Farm Bureau.

E. M. WILLIAMS,
President.

Mr. BILBO. Mr. President, I have had these two telegrams read, among the many I have received, because I believe they voice the sentiment of 99 percent of the farmers of Mississippi on the pending legislation, with special reference to the Thomas amendment.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. HATCH. This morning when I left the office I picked up only a few of numerous messages which I have received from citizens of my State concerning the pending amendment submitted by the Senator from Oklahoma [Mr. THOMAS]. Since I have arrived on the floor of the Senate I have examined the messages carefully, especially the names of those who signed them. I wish to say, before I ask to have the telegrams printed in the RECORD, that I know personally all those who signed them. There is not a single extremist or agitator in the whole group. They are solid, substantial citizens of my State who are face to face with the problems of production, of cost of labor, and those things which the man in an agricultural community has to face every day. I hope Senators will read these telegrams so they may know some of the conditions which exist in the agricultural sections.

I ask unanimous consent that the telegrams be printed in the RECORD at this point.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ROSWELL, N. MEX., September 24, 1942.
Senator CARL HATCH,
Washington, D. C.:

In case of a veto we urge you to do all you possibly can, not only by your vote but by your influence, to have present farm and ranch labor included in the impending bill dealing with parity. Farm and ranch labor is completely out of line here and regardless of what might be offered to a prospective employee he seems to have a better job and is certainly not interested in anything a farmer or rancher might offer. Farmers and ranchers in this locality critically short on labor and unless a miracle happens a continuation of this exodus will result in serious consequences to the rancher and a possible big abandonment of farm acreage by the farmer next year. Cotton-picking prices here over 100 percent of what they were 3 years and still very few pickers available and with these prices prevailing it will finish the job on the remaining farm labor still left on farms and ranches.

SOUTHEASTERN NEW MEXICO
GRAZING ASSOCIATION,

JOE J. LANE,
J. P. WHITE, JR.,
JOHN TWEEDY,
HAL BOGLEY,
ARMSTRONG & ARMSTRONG,
W. E. BONDURANT.

DEMING, N. MEX., September 23, 1942.
Hon. CARL A. HATCH,
United States Senator,
Senate Office Building,
Washington, D. C.:

Support measure to provide definite ceiling on wages at level comparable to ceiling on

farm prices and include farm-labor cost in computing parity level at which prices should be fixed, market should be supported at not less than 90 percent of parity.

G. D. HATFIELD,
President, New Mexico Farm and
Livestock Bureau.

ALBUQUERQUE, N. MEX., September 22, 1942.
Senator CARL A. HATCH,
United States Senate,
Washington, D. C.:

We strongly approve and commend Hatch amendment to pending price-control measure providing for parity on agricultural commodities to include agricultural labor in the base. We are confident this amendment in keeping with a rounded-out and fair-price-control program; your complete support is urged and will be appreciated by livestock industry of your State.

TOM CLAYTON,
President, New Mexico Cattle Growers
Association.

ALBUQUERQUE, N. MEX., September 23, 1942.
Hon. CARL A. HATCH,
United States Senate,
Washington, D. C.:

In addition to strong approval to Hatch amendment to pending price-control measure providing for a parity on agricultural commodities to include agricultural labor in the base, we also heartily recommend and urge a policy of price control which will require simultaneous control of salaries and industrial wages at the same time controls are placed on agricultural commodities and at a point which will maintain an equitable relationship between the two. We also recommend loan of 85 to 90 percent on basic and nonbasic agricultural commodities. Sincerely believe above recommendations to be best interests of general public welfare. Your support will be appreciated.

NEW MEXICO WOOL GROWERS ASSOCIATION,
FLOYD W. LEE, President.

Mr. GILLETTE. Mr. President, will the Senator yield to me?

Mr. BROWN. I yield.

Mr. GILLETTE. I hope before the Senator proceeds with his discourse that he will answer an inquiry which came to me by telephone within the last 15 minutes. The American Corn Millers Federation of Chicago are much concerned over the question as to whether under the mechanics set up in the pending measure they would be enabled to secure the supplies of white corn which they need for their processing. They produce corn meal, and particularly hominy grits and other varieties of hominy. They use white corn. In order to obtain supplies they are compelled to pay from 10 to 12 or 13 cents premium in the market. Their inquiry is whether under the mechanics of the joint resolution, as now drafted, a regulatory provision could be made which would enable them to pay the premium required to obtain their supplies.

Mr. BROWN. Mr. President, that is a subject matter upon which I should like to obtain further information from those who will probably be in charge of the administration of the measure, before making a final answer, and one which would be binding, insofar as legislative construction during the debate on a measure is binding, upon those in charge of its administration. I should think, however, that when a premium

of 13 cents, or some such figure as that, is commonly paid on corn of that class, it is one of the factors which the Secretary of Agriculture would take into consideration under the provisions of subsection (2) on page 3 of the pending measure, which reads:

The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials).

Mr. GILLETTE. Mr. President, will the Senator yield for an observation?

Mr. BROWN. Yes; I yield.

Mr. GILLETTE. I am glad the Senator has made that statement, because I fully agree with him that under the mechanics laid down that concession could be made. I so advised my interrogators, but I wanted the opinion of the Senator from Michigan, as he has expressed it.

Mr. BROWN. Mr. President, in my judgment the Congress of the United States and the President are headed toward a bitter conflict. I have in the drafting of this measure and in the negotiations I have carried on with Senators representing various interests involved in the proposed legislation, done my utmost to avoid a collision. That effort has not only been made with Senators, it has extended to the leadership on both sides of this question in the House of Representatives, and I have certainly tried, as I know the majority leader and the chairman of the Committee on Banking and Currency [Mr. WAGNER] in charge of this proposed legislation have tried, to persuade the executive authority—those who will be in charge of the administration of this measure, and the Chief Executive himself, to reach a solution which would be acceptable to the Congress, acceptable to the administration, and acceptable to the American people.

I do not believe we have succeeded, and at this time, when unity is the greatest need in the conduct of the affairs of government in America, I am fearful that we are going to have disunity, that we are going to have criticism, that we are going to have outstanding differences between the executive and legislative branches of the Government. God forbid that there should be such disunity, but it is within the realm of possibility. It is entirely possible that the dispute may have to be resolved by the third coordinate branch of the Government of the United States, and I have felt that it was my duty and the duty of all of us who have had anything to do with the pending legislation to exert to the utmost our efforts to avoid the impending crisis.

This is not simply a domestic question. It is not merely a dispute between the so-called agricultural interests on the one hand and the consuming interests of the country on the other hand. It is a dispute which affects us in all our relationships.

I was proud of the Republican minority in the House of Representatives and in the Senate when, a few days ago, they announced a policy with respect to this measure, which was to go along and give the Executive the authority for which he

had asked. I wish that it might have been followed yesterday in the House. But the responsibility is not the responsibility primarily of the minority in either the Senate or the House. The responsibility is upon the majority party. The responsibility is mainly ours. We have received splendid help and cooperation from outstanding patriotic Senators on the other side of the aisle who have stifled any desire to take advantage and make political capital out of this situation. The same statement is applicable to outstanding leaders in the House of Representatives. But, Mr. President, if upon this great issue before the American people we shall by our action here force a head-on collision between the executive and legislative powers in the American Government, we shall have done a great disservice to the war effort. We shall have weakened America.

Who is charged with the leadership of this country today? I have the highest respect for the President of the American Farm Bureau Federation, the able, suave, and powerful Ed O'Neal; and I regard Mr. Goss, the head of the National Grange, as a gentleman of patriotic impulses. At one time in his discourse before the Banking and Currency Committee he endorsed the joint resolution in its essentials. I have not the pleasure of acquaintance with the head of the Farm Cooperatives. I do know Mr. Holman, the head of the Milk Producers' Association, whose ideal with regard to the question before the Senate is 140 percent of parity for agriculture, as expressed in the hearings last December.

But, Mr. President, we should not turn the leadership of the legislative branch of the Government of the United States over to those gentlemen. They are not hired by the American people. They are hired by the people whose interests they serve. The man at the head of this Nation, who is asking that the majority and the minority stand by him in this great contest; is not the representative of any special group. He is the representative of all the people of the United States; and I think we should pause before we reject the measure which he has asked us to pass.

Think of the situation. A message is sent to Congress which carries with it the hope which has been in the hearts and minds of the American people on the question of prices and wages ever since the debate over the original price-control bill. The President sends a message to Congress and asks that the restrictions which prevent him from holding down the prices of essential commodities be removed. Those commodities are essential to the service of the Army, essential to our lend-lease operations, and essential to the safety of the people of the United States. The President asks that we remove the restrictions which wither the hands of those in charge of the administration of price-control legislation.

What is the result? The result is that in the House of Representatives the measure is used, in some instances, as a vehicle to go beyond the limitations which the President asked us to strike down. We need not close our eyes to

actualities. The result here is very likely to be the same, if Senators continue to follow the leadership of the farm leaders, who, at this moment, are listening to what I have to say.

Mr. President, it is a question of who is conducting the affairs of this country. Everyone knows that it is easy for a minority group to heat the wires, send us telegrams, call us by telephone, and fill our offices with mail asking that we resist a certain measure; but you and I know that we do not hear from the vast majority of the American people. We do not hear from the great consuming class, the most inarticulate group in America, who are interested in this great problem.

The only representative whom the American people, as a group, have is the President of the United States. I represent, in part, my State of Michigan; the Senator from New Mexico, his State of New Mexico; but the President represents all the people of the country, and is the only official who does.

There is no doubt in my mind, based upon the hearings before the Banking and Currency Committee and upon frequent conferences which I had with Senators from farm States before the joint resolution was introduced, that the vast majority of Senators agreed with the general principles laid down. What are those general principles? First, that we should strike down 110 percent of parity; and, second, that we should control wages. Those are the two essential things in the joint resolution. Senators agreed with those principles. I circulated among as many as possible a little statement setting forth those simple principles. Practically every Senator agreed with that statement and that statement was the genesis of this joint resolution. I violate no confidence when I say that the joint resolution was laid before the administrative authorities who will be in charge of the administration of this measure, and before the Chief Executive himself, after it had been generally approved by Senators; and it met with approval.

Then, when the news of what was to be contained in the joint resolution went out, the trains coming into Washington were filled with representatives of the farm bloc. I did not fear that situation, Mr. President. I had sat for weeks in the Banking and Currency Committees last December and heard Senators and representatives of farm organizations say, "We want 110 percent of parity; but, if you will control wages, all we want is parity."

I thought they were now coming here to say to us, "Your joint resolution controls wages. We are satisfied with it; and so long as 100 percent of parity is a floor for farm produce, a limit beyond which the President may not go, it will be satisfactory."

But, Mr. President, that was not the result. They did not say, "You have done what we asked you to do. You have controlled wages." Notwithstanding the fact that labor had put itself in the harness; notwithstanding the fact that labor leaders have said they accept this proposition, the farm leaders were not satis-

fied. It was no easy task for the President of the United States to persuade labor leaders to accept this curb on their rights. I was amazed that he could do so, but he has done it.

Did that satisfy the gentlemen who are in charge of the opposition to this measure? It did not. They said, "We want you to control wages, but we will not give up our 110 percent. We want more, we insist on 112 percent." That, Mr. President, is a fair and reasonable statement of the situation. Instead of this measure being used to stabilize the cost of living and stop inflation, if the Thomas amendment should be adopted, it would be used to send the spiral onward and upward, to the certain ruin and destruction of our national economy.

Mr. President, I do not know whom Senators wish to accept as the leaders of the Democratic Party. I know that the Democratic Party attained its success because of the leadership of President Roosevelt. I know that upon two occasions, under unprecedented circumstances, the American people approved his two administrations.

Men who have repeatedly stood upon platforms and said "I am going down the line in support of the President of the United States" are today joining in giving him the greatest jolt that any President of the United States has ever received in a time of stress, turmoil, and trouble. Thank God, I am going to take no part in administering such a rebuke to the President of the United States.

Shortly after Pearl Harbor I spoke before the Detroit Economic Club. That great organization of more than a thousand business leaders, labor leaders, and farm leaders in Michigan does not represent any one particular group. I told them that on many occasions in the past I had listened to what was requested of me by some particular group, that in peacetime we might accede to the requests when the questions were economic, but I said, "From now on I will recognize only one guide in my consideration of legislation, and that is the job of winning the war." I then stated that I would be with the President, even at times when I thought he was wrong, because he is the Commander in Chief. With respect to our international relations, and with respect to such important matters as this, I will accept his leadership, even when it is against my own judgment, though in this instance I am in complete agreement with him.

In a large sense the issue, as I see it today, is this: Are we going to be commanded by various groups representing special interests, or are we going to follow the leadership of the man who not only is charged with responsibilities in Washington but who has responsibilities in connection with the mighty struggle going on on the banks of the Volga, whose time must be taken up with consideration of what is happening upon the plains of China, who must be concerned with the problems facing us on the stormy Atlantic, in the Solomon Islands, at Midway, and on all the far-flung battle fronts of our Army and our Navy. He has asked us to do this thing. It is

beyond my comprehension why Members of the majority party, many of whom were willing that this should be done, have changed their minds after hearing from the men who represent special interests in this picture, but who do not represent the American people.

Mr. President, it is with great regret that I make these statements; but I do so because I am confident that unless the Thomas amendment be rejected we shall draw down upon us the imprecations of the great majority of the American people. I do not want Senators to think that there is no substance behind the claim that the President of the United States could not accept the measure with the Thomas amendment in it. In my judgment, he could not do so after writing to the chairman of the Senate Banking and Currency Committee the letter dated September 15, 1942, in which he said:

I should like to make clear by unalterable opposition to any recomputation of parity at this time.

The President meant exactly what he said.

I know that with respect to the matter which I am about to discuss I shall collide with the views of my good friend the senior Senator from Ohio [Mr. TART] who has done yeoman service in assisting me and the chairman of the committee in bringing before the Senate a measure which would deal fairly with these great economic questions. I say I regret to do so because it is plain from the remarks made the other day on the floor of the Senate immediately after hearing the President's somewhat abrupt message that the senior Senator from Ohio heatedly dissented. I did not then make reply because I had not time to study the question. I do not place myself on a par with the great constitutional lawyers in this body, of whom I consider the senior Senator from Ohio to be one.

However, Mr. President, I have not the slightest doubt that the situation after a veto of the pending measure would be such that the American people would demand that the President take action. It is well known that his legal counsel has advised him that he has the power to do so. Otherwise he would not say so in his message. I lay aside for the moment his power as Commander in Chief of the Army and Navy, and I base it upon legislation sponsored by the able senior Senator from Wyoming [Mr. O'MAHONEY] and carried forward by the able chairman of the Committee on the Judiciary, the senior Senator from Indiana [Mr. VAN NUYS].

I shall paraphrase and shall use the applicable language of the Second War Powers Act. Remember that the Second War Powers Act was passed in March 1942, a little over a month after the price control bill was passed, and therefore it supersedes the Price Control Act as to any matters with respect to which the two laws may conflict.

What does title 3, section 301, of the Second War Powers Act say in substance? I have composed in sentence form a paraphrase of the provisions of the act which apply to the present situation:

That whenever the President is satisfied that the fulfillments of requirements for the defense of the United States will result in a shortage in the supply of any material—

At the present time there are very few materials which do not come within that category, for we are short of almost everything.

For what? First—
for national defense—

The Army and Navy. Second—
for export—

That means the lend-lease operations, the support of Russia, of England, of China, and of our other Allies. Third—
or for private account.

That is the exact language of the law. What does "private account" mean? It could mean nothing other than the use of the things that you and I wear and the things that you and I eat. That is the subject matter of title 3 of the Second War Powers Act.

Continuing with the paraphrase—
he may allot such material—

How may he allot it? He may allot it—
in such manner—

That means the manner of getting it to those who need it—
upon such conditions—

What can that mean other than the conditions of the price, terms, and so forth, by which the materials and supplies will reach the public for private account, will reach the Army, and will reach the lend-lease operations? He shall, when he finds it necessary for the defense of the United States, allot the supplies to those three great divisions of consumption—

in such manner, upon such conditions, and to such extent as he shall deem necessary in the public interest and to promote the national defense.

Mr. President, I can conceive of no language which could be written in general terms which would give the President of the United States greater power over the economic life, the service of supply, and the prices of the things we have to buy and sell, than would the language contained in the Second War Powers Act.

In my own mind I have not the slightest doubt that the President can handle the entire situation in that way. If the Thomas amendment be agreed to and if the joint resolution as thus amended be vetoed—and I doubt that even the proponents of the proposal feel that it could be passed over a veto—certainly, under the powers referred to, the President could do many things if he were minded so to do.

That brings me to this thought: What is it about the record of Franklin D. Roosevelt as a friend of the farmer that causes the senior Senator from Oklahoma [Mr. THOMAS], and the senior Senator from South Carolina [Mr. SMITH], and other Senators to assume that he will be unfair to agriculture? As the Senator from Illinois [Mr. LUCAS]—and I always like to say "the courageous Senator from Illinois"—pointed out yes-

terday, of all the Presidents in the history of our country, President Roosevelt has been the greatest friend of the American farmer. He is the man who caused the enactment of the first Agricultural Adjustment Act. He is the man who urged the enactment of the soil conservation program. He is the man who, through wise advice to Congress, has reduced by over 40 percent the rates of interest paid by farmers.

He is the man under whose administration the parity concept which the farmers long looked to as the ideal they wanted was put into the statute law of the United States. He is the man under whose administration farm income has stepped ahead of nonfarm income. The increase in per capita farm income in the last 3-year period has been 115 percent. The per capita nonfarm income has increased by only 49 percent. I ask why is this man who has been the farmers' best friend mistrusted by the very men he has helped?

Mr. President, when he asks a sacrifice it is my judgment, which is based upon substance and fact, that the American farmer is willing to make the sacrifice. The Gallup poll, which specifically mentioned the measure before the Senate, found that farmers were 71 percent in favor of and 7 percent opposed to the general principles of the pending joint resolution. Undoubtedly, after all the agitation, that result will be somewhat changed; but certainly they are willing to make the sacrifice.

Mr. President, all the farmers do not feel, nor do all the farm leaders feel, as do the four gentlemen who are in charge in Washington of this drive against the President. The organization which probably to a greater extent than any other represents the dirt farmers of the United States has this to say in a statement before the Banking and Currency Committee of the Senate:

Prominent farm leaders no longer ago than July were fighting the release of Government-owned grain for feeding and loans to more small farmers, using the argument that he already had ample production, now raise the threat of lowered farm production in attempting to secure further benefits for themselves. The hollering for 10 percent, 20 percent, 30 percent more than parity is the voice of the 10 percent of farmers operating big commercial farms who harvest more than 50 percent of the total agricultural income.

I quote further from the legislative chairman of the National Farmers' Union.

The marines on the Solomon Islands are not debating the fine points of parity. Farmers are entitled to parity and no more.

He says further—

We stood and stand for full parity for agriculture and no more. Let others try to explain any formula which asks for more at this time. We have no explaining to do.

Mr. President, that was a brave statement on the part of the legislative chairman of the National Farmers' Union.

I have not the slightest hesitancy in saying that it was known in the Banking and Currency Committee that the O'Mahoney compromise, prepared by the senior Senator from Wyoming [Mr.

O'MAHONEY] and submitted to me and accepted by the committee, was satisfactory and it was so stated to us by Senators—not by the Senator from Wyoming, I will say, but by other Senators—to have been satisfactory to two of the four national farm leaders here in Washington. The other two, however, evidently had sufficient power to overcome the views of these more conservative men.

Mr. President, it is rather interesting to compare the provisions of the pending joint resolution with the measure introduced at the request of the organization that is generally conceded to hold the highest concepts and ideals of patriotism. I refer to the great organization of veterans, the American Legion. I read a statement filed by their legislative counsel in a letter written to me:

DEAR SENATOR: As you know for 22 years the American Legion has been requesting the Congress to enact universal service legislation so as to take the profit out of war and equalize the burdens of war. Therefore the American Legion is very much gratified—

He is talking about the Wagner-Brown bill—

that the Congress intends to give consideration to some control over the prices of farm products and wages.

In his official statement he said this:

The American Legion wishes to go on record as being wholeheartedly in favor of controlling all prices, including farm products and wages. * * * We believe that if the necessity exists to peg prices, the cost of labor and the price of materials should be covered in the same legislation.

Mr. President, what is the legislation the American Legion proposed? The bill was introduced by the chairman of the Military Affairs Committee of the Senate, the able Senator from North Carolina [Mr. REYNOLDS], and I should like to have the Senate note how closely we followed the principles of the American Legion bill. I read from that bill:

That whenever Congress shall declare war, the President is hereby authorized to determine and publicly proclaim it to be unlawful to buy, sell, or otherwise contract for any article, service, or thing enumerated in such proclamation, or proclamations, at a higher rate, rent, price, commission, compensation, or reward than was in effect at a date determined and set forth in such proclamation or proclamations.

That is identical, in principle, Mr. President, with the September 15 date for the stabilization of wages and prices in the pending joint resolution. Someone may say that was a "freezing"; but it was not a "freezing", as will be seen by section 2, which reads:

Whenever in the discretion of the President he shall determine that any maximum price, rent, rate, commission, compensation, or reward previously proclaimed shall be adjusted either upward or downward, he is authorized to make and publicly proclaim such adjustment, and such adjustment shall have the full force and effect under this statute of such price, rent, rate, commission, compensation, or reward before such adjustment.

That is identical, in principle, Mr. President, with the provisions in sections 3, 4, and 5 of the price-control bill whereby the President, if he finds gross inequities in the stabilization as of September 15,

shall adjust it up or down, both ways, or either way in the interest of equity and justice. That is almost identical in terms with the measure which was not considered under the stress of war times but which the American Legion thought should be the law whenever our Nation declared war.

Now, I desire to speak briefly upon another angle. Suppose, Mr. President, that the Thomas amendment should be adopted. As I have said, there is no doubt of the result, for the majority leader of the House of Representatives, who can speak with greater authority than I can upon the subject, said that it would mean we would have no legislation whatsoever.

Under the War Powers Act, the President has complete control over our economic life so far as prices, the conditions upon which goods shall be allotted, the manner in which they shall be distributed, and the conditions upon which they shall be paid for are concerned. So in the event there should be no legislation would the farm group have what it has been wanting all through these months since the passage of the Price Control Act? Certainly not. There is contained in that act no language I can find that would give the President power to control industrial wages. It is not there; it cannot be found. It is true he has a general policy laid down for him at the present time in the Price Control Act; but the President cannot, as the senior Senator from Ohio [Mr. TAFT] and myself have many times told the Senate in debate upon this subject, exercise any control over wages in the field where capital and labor get together and agree upon their own scale of wages.

The only power in the War Labor Board lies when a dispute arises between capital and labor. When such a dispute arises, they may then exercise control over wages. As it is now the President has no right to do what the senior Senator from Texas wants to do. He would have no right to plug up the gap. When employer and employee get together and agree, there is no lawful authority which can abrogate their agreement, though the American people may be intensely concerned, in the interest of stabilization of prices and wages, in inquiring into the agreement. It could be done with respect to war contracts, but, of course, a vast part of our industry and our labor is engaged in the production of civilian supplies which have no direct connection with war contracts.

I say to those who are supporting the Thomas amendment, if they want wage control, now is their chance to get it, and it is my deliberate judgment that they will never again during this emergency have an opportunity of this kind.

Mr. President, I do not know how other Senators are affected by letters such as one I have received and have before me, excerpts from which I shall read to the Senate. It came to me with the insignia of the Air Force upon it. We all know that that is one of the most dangerous services in all the armed forces of the United States. I do not know whether or not the young man who wrote the letter is from my home State; he might be from

Texas, he might be from New Mexico, he might be from Georgia; but just as the pending measure came up for consideration he wrote a letter which touched me very deeply. The letter was written the day after the President's Labor Day speech. It is from Chanute Field, Ill., one of the great air training centers in the Middle West. He said this:

While in civilian life I never hesitated to speak my opinion on any public matter and feel that as a soldier I still retain that right. That our Commander in Chief—for, to me, and I believe to the majority of the people, he is now that and not merely President—should have to take his time off from matters of war to ask Congress to do something they should have done long since is disheartening, to say the least. May I urge you to see prompt passage of a complete price and wage control bill?

I think this is worthy of long remembrance:

May the soldiers on the Hill get in step. You will find that the whole army back home is behind you.

Mr. President, I close my general observations upon this situation with an appeal to the Members of the Senate, even if it takes us some time to do the job, to stop, look, and listen before we reveal to the world of our enemies this tremendous difference between the executive and the legislative branch of the Government, and that we endeavor to find some means, some way, of avoiding a situation which, throughout the world of our enemies, will be interpreted as evidence of disunity and dissension in the Government of the United States.

With that general appeal—and I am afraid this is going to be somewhat disappointing to some of my listeners—I shall now proceed to a technical discussion of the mechanics and the effects of the Thomas amendment upon the question before the Senate.

Mr. President, the concept of parity is one of a relationship between prices and is not based on costs of production. I do not like to make strong statements, but I affirm that from my study of the question, from my inquiry of those who know the subject matter, to adopt the Thomas amendment would be to bring into the calculation of parity a factor which has never heretofore been figured in the calculation of that subject matter.

According to the Thomas amendment, the President is directed to use the cost of farm labor—which means the labor of the farmer himself, of his wife, of his children, and of his hired men—in calculating parity. That, Mr. President, is a question of the cost of producing goods. As every economist knows, it has nothing to do directly with an exchange relationship between prices which are fixed upon the economic markets of the world. How can the Senator from Oklahoma say that increased farm labor costs are to be considered in the calculation of parity, and that we must forget and eliminate the increase in the cost of labor involved in the manufacture of the products which the farmer buys? His amendment does not provide that, if cotton textiles are subjected to a higher cost because of a larger percentage of cost of labor in the textile mill, or if farm machinery has a

higher percentage of cost because of the increase of labor costs to the producer of farm machinery, we shall take those factors into consideration in determining the prices of the goods the farmer buys. Unless it does, the amendment is totally unfair and illogical. Indeed, parity, as calculated today, includes increased-wage costs in the things farmers buy. Parity is not based upon costs of production. It is an exchange relationship between the things the farmer buys and the goods he sells.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. DOWNEY. Does the Senator mean to imply by his remarks that when Mr. Henderson fixes the price of a shirt, a pair of shoes, or steel, he does not first of all, and certainly with consistency all the way through, consider the labor costs? Is that the implication to be drawn from the statement of the Senator from Michigan?

Mr. BROWN. Certainly not. The Senator is away off from the subject of parity. He is talking now about the prices of things. Mr. Henderson certainly goes into those elements in determining the prices of commodities, although the market place is still pretty largely the source of the main factors used in the determination of those prices. However, we are talking about parity.

Mr. DOWNEY. Will the Senator yield again?

Mr. BROWN. I yield.

Mr. DOWNEY. It seems that either the Senator misunderstands me, or, more likely, I misunderstand him. Let me, then, put the question directly to the Senator. If, in fixing the price of steel, Mr. Henderson considers the cost of the labor entering into the steel, why, in fixing the prices of oranges or prunes, should he not consider the cost of labor to the farmer when fixing the price which the farmer is to be allowed for his oranges or prunes?

Mr. BROWN. The Senator is not at all talking about the same thing I am discussing. I am talking about parity, which is the relationship between the things which the farmer buys and the things which he sells. He buys many things which are not used in production yet which go into the parity index. In the calculation of the price of beef, the price of wool, the price of hogs, of pork, Mr. Henderson unquestionably takes all those factors into consideration. However, parity is a limitation upon the power of the Administrator to act which refers to the relationship between the farmer's produce and what we might call, for want of a better term, the manufacturer's product during the period from 1909 to 1914. This is the critical point. Maximum prices are not fixed upon the basis of parity, but parity is a limitation on fixing maximum prices.

Mr. DOWNEY. Mr. President, will the Senator yield further?

Mr. BROWN. I yield.

Mr. DOWNEY. The distinguished Senator from Michigan uses the word "parity" as though it were a complete expression of the idea around which our discussion is revolving. It is not. "Par-

ity price" is. When Mr. Henderson says that under the parity rule, as now existing, the California producer shall get \$4 a case, or whatever it may be, for his oranges, he is saying identically a parallel thing to what he says when he says a steel manufacturer may get \$20 a ton for his steel, or whatever the commodity may be.

Mr. BROWN. Mr. President, under the present price-control act, the provisions of which the Senator, I think, knows fairly well, Mr. Henderson is required to take all those things into consideration under section 2 (a), as I recall, of the present Price Control Act. But the Senator apparently does not get this conception at all. In fixing a maximum price the Price Administrator is bound by certain standards and guides in the Price Control Act. These standards and guides take account of increases in costs of production. But parity as it has been brought into this picture is a limitation, not a standard, and the revision of parity to include farm labor merely raises the limitation without changing the standard.

Mr. DOWNEY. Mr. President, will the Senator again yield to me?

Mr. BROWN. I yield.

Mr. DOWNEY. I must admit I am totally confused by what the Senator is saying. Apparently he is stating my position to be that, while we should consider the cost of labor in determining the price the farmer should justly pay, we should not consider the cost of labor in determining a fair price for other commodities.

Mr. President, I have not said that. I have said it is wholly illogical to consider the cost of labor in fixing the prices for commodities generally. If we say to the farmer, "Even though the cost of your labor doubles or triples so that you cannot make any profit under parity, still you must sell at parity, and we will not compute the cost of your labor in reaching parity costs."

Mr. President, if I may add a further word at this time, in California thousands of acres of farm products are wasting away because the present price will not allow the farmer to pay out of the parity price what he has to pay for the cost of the farm work.

Mr. BROWN. Mr. President, the Senator from California, I regret to say, is in a complete fog as to what parity means, and as to what function parity serves in this legislation.

Mr. DOWNEY. Mr. President, will the Senator again yield?

Mr. BROWN. I yield.

Mr. DOWNEY. I started to say to the distinguished Senator that for many years I have thought that I knew what parity meant. I have discussed this question with most of the economists in Washington and have found them in agreement with me. I have a very high admiration for the distinguished Senator from Michigan. I think there is a misunderstanding and confusion between him and me.

Mr. BROWN. I was not talking about prices at all. I was talking about parity as a limitation.

Mr. DOWNEY. The Senator was talking about parity price, which is iden-

tically the same thing. The price that is fixed—the rule that is established—is parity, and that is the price presumably at which the farmer is to sell his products. The word "parity" should not be used alone. The expression is "parity price."

It happens, Mr. President, that since we established parity prices farm wages have remained reasonably stable, and it was not necessary to consider farm labor as a factor in arriving at a fair price for the farmer. But now we have arrived at a stage when farm labor is out of all proportion to what it was from 1910 to 1914 and during the past few years. I say to the distinguished Senator from Michigan, based on talks I have had with hundreds of farmers, that unless they are allowed a special computation above parity or parity price—term it what you will—because of the ever-increasing cost of farm labor, parity or parity price will not permit the farmers of California to produce food for the Nation.

Mr. President, I shall not further intrude upon the Senator from Michigan. I thank the Senator.

Mr. BROWN. I hope the Senator will do so. I always like to discuss these matters with him on the floor. Let me call his attention to a very significant figure. Farm wages per month, exclusive of board, have risen from \$36.26 on July 1, 1939, to \$56.97 on July 1, 1942, an increase in the last 3 years—and that is the war period—of 56 percent. With what does the farmer pay those wages? He pays them with his additional income. The average of all prices received by farmers, that is the prices of the goods they produce, rose in the same period by 73 percent. If those figures are accurate—and they are given to me by the Government authorities in charge—there is not any doubt that relatively the farmer is better off with respect to wages paid in comparison with prices of goods received than he was in 1939.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. HATCH. While the Senator is juggling with figures, which is always most interesting, I am going to give him some more with which to juggle. I hold in my hand a telegram from Mr. Oscar Johnston, president of the National Cotton Council.

Mr. BROWN. And he is quite a juggler, too, I suppose.

Mr. HATCH. He may be; anyway he is one of the best-informed men in the United States—

Mr. BROWN. On cotton.

Mr. HATCH. Yes.

Mr. BROWN. He frequently appears before the Finance Committee.

Mr. HATCH. Yes. He says in his telegram:

National Cotton Council just completed survey current cotton farm labor costs. September 1942 labor costs 251 percent of same costs in 1940.

Mr. BROWN. I have no doubt that there has been a marked increase in farm labor costs, but does the Senator recall the figure of 356 percent rise in industrial wages, if I remember the figures cor-

rectly? If Mr. Johnston's farm labor costs have increased 250 percent for the production of cotton, and if the figure of labor cost furnished by Mr. McCormick of Chicago—I am not referring to the Chicago Tribune—if the labor cost on the part of the producer of farm machinery has increased 356 percent; I think Mr. Johnston is a little bit better off than the producer of agricultural machinery. That is the burden of the entire argument. If we are going to allow for a factor of increased wages on the farm we have got to allow for the increased wages on nonfarm goods which the farmer buys.

Mr. HATCH. Mr. President, will the Senator again yield?

Mr. BROWN. I yield.

Mr. HATCH. I think that is exactly what is done now.

Mr. BROWN. No; not by parity. Parity as we are discussing it here is a limitation on the fixing of maximum prices, not the basis on which prices will be fixed.

Mr. DOWNEY. Mr. President, will the distinguished Senator from Michigan again yield to me?

Mr. BROWN. Yes; I yield.

Mr. DOWNEY. I have such a deep sense of confidence in the leadership and the ability of the Senator from Michigan that I should like to appeal to him and try to make him see directly the problem of one of the California farmers whose farm I visited. I do not believe the distinguished Senator understands the farm situation in California.

Mr. BROWN. I do not.

Mr. DOWNEY. And I should like to indicate to him a specific case. A man planted a large acreage of tomatoes. He had been accustomed to pay 40 cents an hour to his workers. Under the increased price of tomatoes he could pay 55 cents or 60 cents an hour for the same work, but unfortunately he was unable to get labor even at 75 cents an hour or a dollar an hour. He lost a large part of his crop because he either lacked the money with which to pay the wage to have the work done or could not get the workers.

I now wish to say to the distinguished Senator—alas and alack—the problem is much more fundamental and difficult than the ipse dixit of the President of the United States or any farm leader can cure, because we do not have sufficient labor to perform the job that is ahead of us.

Mr. BROWN. Certainly that is true.

Mr. DOWNEY. We are contemplating in the next calendar year the production of \$75,000,000,000 of war material. That is almost as much as the rest of the world combined produces. Germany's maximum production will be only \$30,000,000,000. In the next calendar year we are going to try to produce 75 billion dollars' worth of material—two and a half times as much as Germany produces in a year. We are going to try within the next 12 or 14 months to build up our armed services, including the Navy, to at least 10,000,000 men, and we have tried to step up farm production 20 percent.

So I desire to say to the distinguished Senator that there is a more serious problem than the one we are wasting our time arguing about on the floor of the Senate, because even if we put the farmer in a position to compete with industry by permitting him to pay a wage more nearly equal to industrial wages, still there will be a shortage of labor which will manifest itself someplace.

Mr. President, as a representative of California, I cannot follow the President of the United States and Mr. Henderson, or the distinguished Senator from Michigan, in trying to prevent the farmer from having his labor costs computed so as at least to give him a chance to have enough money to secure labor in competition with the other demands for a labor supply which is very much limited.

Mr. BROWN. Mr. President, the statement from which I have read goes somewhat more fully into the question of farm wages and parity than I have so far done. I ask unanimous consent that the statement be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SEPTEMBER 22, 1942.

INCLUSION OF FARM WAGES IN THE PARITY INDEX

(1) Farm wages per month, exclusive of board, have risen from \$36.26 on July 1, 1939, to \$56.97 on July 1, 1942—an increase of 56 percent. The average of all prices received by farmers rose in the same period by 73 percent. (The increase in farm prices from August 1938 to August 1942 was 85 percent.) The increase in farm wages, it is clear, has fallen very considerably short of the increase in prices received by farmers. There is no merit whatever in the contention that the increase in farm prices is not large enough to cover the increase in labor cost of production.

(2) The position of the farmer generally is clearly indicated by the fact that per capita farm income has increased 115.4 percent between 1939 and 1942. During the same period per capita nonfarm income increased by only 49 percent. Farmers have improved their position vastly as compared with nonfarmers. The income parity index, which stood at 94.3 in 1939 will reach 136 in 1942, which shows that farm income has increased in the period since 1910–14 by 36 percent more than has nonfarm income.

(3) The inclusion of all farm labor in the parity index, hired as well as family labor, would increase parity prices by 10 to 12 percent. Thus the change in the law replacing 110 percent parity, as presently provided, by 100 percent of parity, as the President has requested, would be completely offset by the redefinition of parity. On the basis of the redefinition of parity, we estimate that the value of farm marketings could increase by \$4,000,000,000 with a resulting increase in the cost of food and clothing to consumers of \$3,700,000,000. This would constitute an increase of 10.8 percent in the retail prices of food and clothing and an increase of 4.9 percent in the cost of living.

(4) The inclusion of hired labor only in the parity index would increase parity prices by 5 percent. This would permit an increase in the value of farm marketings of \$2,700,000,000, which would increase the cost of food and clothing to consumers by \$2,500,000,000. This constitutes an increase of 7.2 percent in the retail prices of food and clothing, and an increase of 3.3 percent in the cost of living.

THE COST OF AN INCREASE IN FARM PRICES TO PARITY AS CALCULATED ACCORDING TO THE THOMAS AMENDMENT

According to the Thomas amendment to the price-control bill now before Congress, parity would be redefined to include the wages of all farm labor. Under this method of determining parity the new parity prices would be about 112 percent of the present parity prices.

If farm prices were to rise by the full amount permissible under the Thomas amendment, the initial increase in the value of farm marketing would be about \$925,000,000. If we assume that feeds rise by the percentage increase in the price of corn necessary to reach the new parity level, or by 31 percent, it will be necessary to permit the prices of meats, poultry, and dairy products to rise if the production of these commodities is to be maintained. Assuming that the same feed-meat ratios which existed during June 1942 are maintained, the farm value of meats, poultry, and dairy products will increase by about \$2,600,000,000 as a result in the rise in feed prices. After allowing for the effect of the increase in prices paid by farmers on the level of parity prices, the total increase in the value of farm marketings, excluding feeds, is \$4,000,000,000. Deducting one-third of this amount for Army and lease-lend purchases, we have an increase in the value of farm commodities for civilian consumption of \$2,700,000,000. Assuming normal farm to retail price spreads, this would result in an increase in the cost of food and clothing of \$3,700,000,000. This represents an increase of 10.7 percent in the cost of food and clothing, or a 4.9 percent increase in the cost of living index.

What would this increase in farm prices mean in terms of the retail prices of individual commodities? To cite three important examples, pork chops now selling at 43 cents per pound would rise to 56 cents per pound; a leg of lamb now costing 38 cents per pound would cost 49 cents per pound; and round steak which can be purchased today for 44 cents per pound would rise to 57 cents per pound.

It is obvious that in the face of a 10.7 percent increase in the cost of food and clothing and a nearly 5 percent increase in the cost of living index, wages could not be stabilized. If wages were adjusted to changes in the cost of living, prices paid by farmers, including wages, and hence parity prices, would rise still further. The result would be an endless spiral of farm prices, wages, and the cost of living.

SEPTEMBER 23, 1942.

Farm commodities whose prices are below 112 percent of parity as of Aug. 15, 1942

Commodity	Farm price Aug. 15, 1942	112 percent of parity price	Percent-age by which Aug. 15, 1942, price must increase to reach 112 percent of parity
Buckwheat.....bushel..	\$0.88	\$1.24	41.0
Flaxseed.....do.....	2.26	2.88	27.4
Soybeans.....do.....	1.58	1.61	1.8
Cowpeas.....do.....	1.87	2.65	41.7
Velvet beans.....ton..	15.32	16.18	5.6
Beans, dry edible			
hundredweight..	4.45	5.73	28.8
Peanuts, for nuts..pound..	.06	.08	33.3
Peanuts, for oil...do.....	.04	.045	12.5
Cotton.....do.....	.18	.21	16.7
Potatoes.....bushel..	1.15	1.21	5.2
Sweetpotatoes.....do.....	1.37	1.50	9.5
Broomcorn.....ton..	118.82	133.23	12.1
Popcorn.....hundredweight..	12.11	3.60	70.6
Tobacco (cigar):			
Filler.....pound..	2.12	.15	25.0
Binder.....do.....	2.17	.22	29.4
Wrapper.....do.....	1.80	.90	12.5

Footnotes at end of table.

Farm commodities whose prices are below 112 percent of parity as of Aug. 15, 1942—Con.

Commodity	Farm price Aug. 15, 1942	112 percent of parity price	Percentage by which Aug. 15, 1942, price must increase to reach 112 percent of parity
Red-clover seed.....bushel..	\$9.85	\$16.91	71.7
Alsike-clover seed.....do.....	9.70	13.72	41.4
Sweet-clover seed.....do.....	3.54	5.88	66.1
Timothy seed.....do.....	1.91	3.24	69.6
Oranges.....box.....	2.07	2.67	29.0
Limes.....do.....	12.65	3.93	48.3
Lemons.....do.....	12.00	2.33	16.5
Apples.....bushel.....	1.16	1.64	41.4
Strawberries.....crate.....	2.58	4.13	60.1
Peaches.....bushel.....	3.89	1.94	118.0
Pears.....do.....	3.97	1.52	56.7
Plums, Michigan and California.....ton.....	62.28	79.77	28.1
Prunes:			
Dried.....do.....	70.82	145.04	104.8
Fresh.....do.....	25.81	39.44	52.8
Cherries:			
Sweet.....do.....	114.04	172.86	51.6
Sour.....do.....	101.24	153.04	51.2
Grapes.....do.....	25.70	40.61	58.0
Apicots, Calif.....do.....	56.40	68.98	22.3
Pecans, seedlings.....pounds..	3.085	.17	100.0
Pecans, improved.....do.....	3.13	.43	230.8
Walnuts.....tons.....	252.26	451.56	79.0
VEGETABLES FOR PROCESSING			
Beans, snap.....tons.....	51.49	65.52	27.2
Corn.....do.....	9.70	15.01	54.7
Cucumbers.....bushels.....	3.69	1.05	52.2
Peas, green.....tons.....	48.71	62.68	28.7
Spinach.....do.....	21.35	22.69	6.3
Tomatoes.....do.....	15.21	15.94	4.8
VEGETABLES FOR MARKETS			
Asparagus.....crates.....	1.58	2.65	67.7
Beans, green lima.....bushels..	1.65	2.15	30.3
Beans, snap.....bushel.....	1.37	1.96	43.1
Beets.....do.....	3.45	.66	46.7
Cabbage.....ton.....	20.42	21.40	4.8
Cantaloup.....crate.....	1.23	1.60	30.1
Carrots.....bushel.....	3.64	.76	18.8
Cauliflower.....crate.....	3.81	1.25	54.3
Celery.....do.....	2.00	2.07	3.5
Corn, New Jersey.....1,000 ears..	15.00	20.17	34.5
Cucumbers.....bushel.....	1.19	1.65	38.7
Eggplant.....do.....	3.82	1.46	78.0
Kale, Virginia.....do.....	3.23	.47	104.3
Lettuce.....crate.....	1.67	1.76	5.4
Onions.....sack.....	1.94	2.24	15.5
Peas.....bushel.....	1.22	2.02	65.6
Peppers.....do.....	3.94	1.48	57.4
Tomatoes.....do.....	1.52	2.04	34.2
Watermelons.....1,000.....	134.00	195.78	46.1
Sheep.....hundredweight..	6.62	7.72	37.4
Butter.....pound.....	.36	.44	22.2
Wheat.....bushel.....	.95	1.50	57.9
Corn.....do.....	.83	1.09	31.3
Oats.....do.....	.43	.68	58.1
Barley.....do.....	.57	1.05	84.2
Rye.....do.....	.49	1.22	149.0
Grain sorghums.....100 pounds..	1.15	2.06	79.1
Hay.....ton.....	8.89	20.20	127.2

¹ 1941-42 season average.

² Mar. 15, 1942, price.

³ Ceiling price, March 1942.

SEPTEMBER 22, 1942.

Subject: Cost to consumer of agricultural price limitations in pending price-control legislation.

The best estimate presently available is that an increase in farm prices to the minimum levels specified in the current legislation would result in an increase in retail value of \$1,750,000,000. This does not include food and clothing going to lend-lease and represents a 5.1-percent increase in the cost of food and clothing to the consumer and a 2.8-percent rise in the cost of living.

The nature of the procedure followed and the assumptions involved are shown in the following table and footnotes:

- (1) Increase in farm value, excluding feeds but including wheat marketed.....\$819,000,000
- (2) Net increase in farm value of dairy and poultry products.....446,000,000
- (3) Farm value equivalent of required increase in beef and veal, pork and rice.....664,000,000

Total increase in farm value.....1,929,000,000

- (4) Increase in farm value going into civilian consumption.....1,286,000,000
- (5) Increase in retail value.....1,750,000,000

(1) This represents the difference between the value of 1942 marketings (excluding feeds except for wheat marketed) at August 1942 prices and the value of 1942 marketings at either the August 1942 parity price or the highest price between January 1 and August 15, 1942, in all cases where the value of marketings at August prices is lower. This is a minimum figure, however, since in the case of many fruits and vegetables, monthly prices are not reported and it was necessary to use the parity price only. For many such items the actual price during 1942 was in excess of the parity price.

(2) It is assumed that an increase in all feed prices, except hay, to 90 percent of parity could not be absorbed by producers of dairy and poultry products without a proportionate increase in the price of these products. Accordingly the farm value of these products was increased by 11.3 percent, which is the average increase in feed prices after reaching 90 percent of parity.

(3) If rice prices were to reach the highest levels of 1942, the squeeze on distributors would amount to \$8,000,000 of farm value. Similarly, if current prices of pork and beef and veal must be maintained, the squeeze on distributors would amount to \$352,000,000 of farm value for pork and \$304,000,000 of farm value for beef and veal. It is assumed that the current prices of pork and of beef and veal are sufficiently high relative to feed prices to be able to absorb an increase in feed prices to 90 percent of parity.

(4) This assumes that one-third of the total value of food and clothing will go to lend-lease. Accordingly two-thirds of the increase in the farm value was allocated to civilian use.

(5) The increase in retail value was obtained by using a factor of 1.361, developed from studies made by Mr. R. O. Been, in the United States Department of Agriculture Marketing Research Division.

Mr. BROWN. I also ask unanimous consent to have printed in the Record at this point as a part of my remarks an editorial from the Detroit News entitled "Congress Is on Trial."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Detroit News]

CONGRESS IS ON TRIAL

A Washington report suggests that success of the farm bloc effort to continue agriculture's position of special privilege would compel the President to veto the price control bill and proceed with price regulation by Executive order.

It is earnestly to be hoped this will not come to pass. Yet in the circumstances mentioned the President would have slight choice but to act in the manner described.

The farm bloc's new definition of parity now in the House bill would destroy, as the President has said, all possibility of stabiliz-

ing the cost of living. That is precisely the intent of it, so far as the cost of food is concerned, and it needs no economist to see that with food prices free to rise nothing can be stabilized.

If Congress should adopt that kind of one-way ticket to the inflation chute-the-chutes, the President certainly would use his veto. He probably also would go on to govern prices by decree, in direct defiance of the congressional mandate. He would have to. His responsibility as Commander in Chief would not let him honor the constitutional authority of Congress, where to do so would risk losing the war.

It hardly needs saying that such an outcome would lend small credit to democratic government. Congress is on trial in this matter, and not alone in this but in all matters where the political interests of members run counter to their wartime responsibilities to the Nation. We should hate to see Congress fail the people.

Mr. BROWN. Mr. President, I think that concludes the remarks which I desire to make on the subject of parity. I anticipate that following the further discussions this afternoon, after the Senator from Oklahoma [Mr. THOMAS] has made such further remarks as he may wish to make, and other Senators have concluded their remarks, I may desire to submit some further observations on the general subject of parity, which is the subject matter of the Thomas amendment.

With that, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HERRING in the chair). The Clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Overton
Andrews	Guffey	Pepper
Austin	Gurney	Radcliffe
Bailey	Hatch	Reed
Ball	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Russell
Bone	Holman	Schwartz
Brewster	Johnson, Calif.	Shipstead
Bridges	Johnson, Colo.	Smathers
Brooks	Kilgore	Smith
Brown	La Follette	Spencer
Bunker	Langer	Stewart
Burton	Lee	Taft
Butler	Lodge	Thomas, Idaho
Byrd	Lucas	Thomas, Okla.
Capper	McCarran	Thomas, Utah
Caraway	McFarland	Tobey
Chandler	McKellar	Truman
Chavez	McNary	Tunnell
Clark, Idaho	Maloney	Tydings
Clark, Mo.	Maybank	Vandenberg
Connally	Mead	Van Nuys
Danaher	Millikin	Wagner
Davis	Murdock	Wallgren
Downey	Murray	Walsh
Ellender	Norris	Wheeler
George	Nye	White
Gerry	O'Daniel	Wiley
Gillette	O'Mahoney	Willis

The PRESIDING OFFICER. Ninety Senators have answered to their names. A quorum is present.

AMENDMENT OF SOLDIERS' AND SAILORS' CIVIL RELIEF ACT—CONFERENCE REPORT

Mr. JOHNSON of Colorado submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7164) to amend the Soldiers' and Sailors' Civil

Relief Act of 1940, as amended, to extend the relief and benefits provided therein to certain persons, to include certain additional proceedings and transactions therein, to provide further relief for persons in military service, to change certain insurance provisions thereof, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Sec. 400. As used in this article—

"(a) The term "policy" shall include any contract of life insurance or policy on a life, endowment, or term plan, including any benefit in the nature of life insurance arising out of membership in any fraternal or beneficial association, which does not provide for the payment of any sum less than the face value thereof or for the payment of an additional amount as premiums if the insured engages in the military service of the United States as defined in section 101 of article I of this Act or which does not contain any limitation or restriction upon coverage relating to engagement in or pursuit of certain types of activities which a person might be required to engage in by virtue of his being in such military service, and (1) which is in force on a premium-paying basis at the time of application for benefits hereunder, and (2) which was made and a premium paid thereon before the date of enactment of the Soldiers' and Sailors' Civil Relief Act Amendments of 1942 or not less than thirty days before the date the insured entered into the military service. The provisions of this Act shall not be applicable to policies or contracts of life insurance issued under the War Risk Insurance Act, as amended, the World War Veterans Act, as amended, or the National Service Life Insurance Act of 1940, as amended.

"(b) The term "premium" shall include the amount specified in the policy as the stipend to be paid by the insured at regular intervals during the period therein stated.

"(c) The term "insured" shall include any person in the military service of the United States as defined in section 101, article I, of this Act, whose life is insured under and who is the owner and holder of and has an interest in a policy as above defined.

"(a) The term "insurer" shall include any firm, corporation, partnership, or association chartered or authorized to engage in the insurance business and to issue a policy as above defined by the laws of a State of the United States or the United States.

"Sec. 401. The benefits and privileges of this article shall apply to any insured, when such insured, or a person designated by him, or, in case the insured is outside the continental United States (excluding Alaska and the Panama Canal Zone), a beneficiary, shall make written application for protection under this article, unless the Administrator of Veterans' Affairs in passing upon such application as provided in this article shall find that the policy is not entitled to protection hereunder. The Veterans Administration shall give notice to the military and naval authorities of the provisions of this article, and shall include in such notice an explanation of such provisions for the information of those desiring to make application for the benefits thereof. The original of such application shall be sent by the insured to the insurer, and a copy thereof to the Veterans Administration. The total amount of insurance on the life of one insured under policies protected by the provisions of this article shall not exceed \$10,000. If an insured makes application for protection of policies on his life totaling insurance in excess of \$10,000, the Administrator is authorized to have the amount of insurance

divided into two or more policies so that the protection of this article may be extended to include policies for a total amount of insurance not to exceed \$10,000, and a policy which affords the best security to the Government shall be given preference.

"Sec. 402. Any writing signed by the insured and identifying the policy and the insurer, and agreeing that his rights under the policy are subject to and modified by the provisions of this article, shall be sufficient as an application for the benefits of this article, but the Veterans' Administration may require the insured and insurer to execute such other forms as may be deemed advisable. Upon receipt of the application of the insured the insurer shall furnish such report to the Veterans' Administration concerning the policy as shall be prescribed by regulations. The insured who has made application for protection under this article and the insurer shall be deemed to have agreed to such modification of the policy as may be required to give this article full force and effect with respect to such policy.

"Sec. 403. The Administrator of Veterans' Affairs shall find whether the policy is entitled to protection under this article and shall notify the insured and the insurer of such finding. Any policy found by the Administrator of Veterans' Affairs to be entitled to protection under this article shall not, subsequent to date of application, and during the period of military service of the insured or during two years after the expiration of such service, lapse or otherwise terminate or be forfeited for the nonpayment of a premium becoming due and payable, or the nonpayment of any indebtedness or interest.

"Sec. 404. No dividend or other monetary benefit under a policy shall be paid to an insured or used to purchase dividend additions while a policy is protected by the provisions of this article except with the consent and approval of the Veterans' Administration. If such consent is not procured, such dividends or benefits shall be added to the value of the policy to be used as a credit when final settlement is made with the insurer. No cash value, loan value, or withdrawal of dividend accumulation, or unearned premium, or other value of similar character shall be available to the insured while the policy is protected under this article except upon approval by the Veterans' Administration. The insured's right to change a beneficiary designation or select an optional settlement for a beneficiary shall not be affected by the provisions of this article.

"Sec. 405. In the event of maturity of a policy as a death claim or otherwise before the expiration of the period of protection under the provisions of this article, the insurer in making settlement will deduct from the amount of insurance the premiums guaranteed under this article, together with interest thereon at the rate fixed in the policy for policy loans. If no rate of interest is specifically fixed in the policy, the rate shall be the rate fixed for policy loans in other policies issued by the insurer at the time the policy brought under the Act was issued. The amount deducted by reason of the protection afforded by this article shall be reported by the insurer to the Administrator of Veterans' Affairs.

"Sec. 406. Payment of premiums and interest thereon at the rate specified in section 405 hereof becoming due on a policy while protected under the provisions of this article is guaranteed by the United States, and if the amount so guaranteed is not paid to the insurer prior to the expiration of the period of insurance protection under this article, the amount then due shall be treated by the insurer as a policy loan on such policy, but if at the expiration of said period the cash surrender value is less than the amount then due, the policy shall then cease and terminate and the United States shall pay the insurer the difference between such

amount and the cash surrender value. The amount paid by the United States to an insurer on account of applications approved under the provisions of this article, as amended, shall become a debt due to the United States by the insured on whose account payment was made and, notwithstanding any other Act, such amount may be collected either by deduction from any amount due said insured by the United States or as otherwise authorized by law.

"Sec. 407. The Administrator of Veterans' Affairs is hereby authorized and directed to provide by regulations for such rules of procedure and forms as he may deem advisable in carrying out the provisions of this article. The findings of fact and conclusions of law made by the Administrator of Veterans' Affairs in administering the provisions of this article shall be final, and shall not be subject to review by any other official or agency of the Government. The Administrator of Veterans' Affairs shall report annually to the Congress on the administration of this article.

"Sec. 408. (1) The provisions of this article in force immediately prior to the enactment of the Soldiers' and Sailors' Civil Relief Act Amendments of 1942 (hereinafter in this section called 'such provisions') shall remain in full force and effect with respect to all valid applications for protection executed prior to the date of enactment of the Soldiers' and Sailors' Civil Relief Act Amendments of 1942 and all policies to which such applications pertain shall continue to be entitled to the protection granted thereby.

"(2) Any insurer under a policy accepted under such provisions shall, subject to the approval of the Administrator of Veterans' Affairs and upon complete surrender by it to the United States, within ninety days after the date of enactment of the Soldiers' and Sailors' Civil Relief Act Amendments of 1942, of all certificates issued in accordance with such provisions together with all right to payment thereunder, be entitled to the guarantee of unpaid premiums and interest thereon and the mode of settlement for such policies as provided by this article, as amended. The privileges and benefits granted by the foregoing sentence shall be in lieu of the method of settlement, and the requirement for accounts and reports prescribed by such provisions. In the event any such insurer fails to surrender within the said ninety days all such certificates and rights to payment, the accounts, reports, and settlements required to be made by such insurer under such provisions shall continue to be made as required and shall be governed by such provisions." and, on page 11 of the House engrossed bill, line 18 after the word "policy" insert ("except the insurer in connection with a policy loan").

And the Senate agree to the same.

ROBERT R. REYNOLDS,
ELBERT D. THOMAS,
EDWIN C. JOHNSON,
WARREN R. AUSTIN,
CHAN GURNEY,

Managers on the part of the Senate.

A. J. MAY,
R. E. THOMASON,
JOHN SPARKMAN,
FOREST A. HARNESSE,
CHARLES H. ELSTON,

Managers on the part of the House.

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent for the present consideration of the conference report.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the report submitted by the Senator from Colorado.

Mr. McKELLAR. Mr. President, will the Senator explain the conference report? I do not think we should agree to a conference report by unanimous consent without knowing what it is.

Mr. JOHNSON of Colorado. This is a conference report on the amendment to the Soldiers' and Sailors' Civil Relief Act.

Mr. McKELLAR. What does the bill seek to do?

Mr. JOHNSON of Colorado. It amends the act of 1940 in many particulars. It is a technical matter.

Mr. McKELLAR. I understand that; but what is the purpose of the bill?

Mr. JOHNSON of Colorado. The purpose of the bill is to protect the civil rights of the men in our armed forces. We already have such an act, and the bill is an amendment to that act, growing out of experience in the operation of the act. For example, it protects the men in the armed services in the matter of the private insurance which they carried before they went into the Army. It protects them in other rights with respect to their personal affairs at home while they are serving in the military forces.

Mr. TYDINGS. In connection with mortgages, debts, bills of sale, and all that sort of thing?

Mr. JOHNSON of Colorado. Yes.

Mr. McKELLAR. In what respect does the bill amend the present law?

Mr. JOHNSON of Colorado. The bill covers four or five pages, all of them technical in nature. We had such legislation in the last war, and the act of 1940 was predicated upon that legislation.

Mr. McKELLAR. Is it practically the same as the legislation we had in the last war?

Mr. JOHNSON of Colorado. Yes. Perhaps it is a little more generous in some particulars and a little more explicit and somewhat improved. We have taken up the matter with the War Department and the Veterans' Administration, and we have virtually a definite agreement. The bill was originally passed by the Senate, subsequently was passed by the House, and thereafter went to conference. We have had many days of conferences between the conferees of the two Houses, and upon all occasions representatives of the Veterans' Administration have been present and have discussed and considered the matter fully.

Mr. McKELLAR. Does the bill meet with the approval of the Veterans' Administration?

Mr. JOHNSON of Colorado. Yes; it meets with the general approval of the Veterans' Administration. Of course, on policy matters the determination has to be made by the Congress; but the Veterans' Administration realizes the necessity for the legislation, and has agreed to the bill. In fact, it helped draw most of its provisions.

Mr. McKELLAR. Was there any statement as to the probable cost?

Mr. JOHNSON of Colorado. No; and I do not know what the probable cost will be. The cost to the Treasury will not be very great. The bill provides more or less protection of the soldier in his

private affairs. While of course there will be some cost to the Treasury, the load upon the Treasury will not be heavy.

Mr. President, I ask that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a letter addressed to me by Albert S. Goss, master of the National Grange, with reference to the pending legislation, which was sent to me this morning.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE NATIONAL GRANGE,
Washington, D. C., September 24, 1942.

HON. BURTON K. WHEELER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WHEELER: The Grange believes that the issue on pending price legislation is whether or not farmers will be protected in a price level which will enable them to produce food in the volume necessary without being forced under a subsidy program. We feel that three protective provisions are necessary.

First, is a parity formula which recognizes agriculture's chief cost—farm labor. The Thomas-Hatch amendment is the only provision under consideration which accomplishes this end, and while it does not give a completely satisfactory parity formula, it is a substantial step in meeting this problem.

Second, because of the failure to modernize parity, we need the limitation on ceilings of subsection 2, section 3.

Third, in order to avoid resorting to subsidies when production costs rise, we need the instructions to modify maximum prices substantially as contained in the last proviso of section 3.

We understand that an effort is being made to amend the last proviso of section 3 as a substitute for the Thomas-Hatch amendment. We have no objection to the amendment to this proviso, for it may strengthen its purpose. However, the amendment would in no sense serve as a substitute for the parity protection of the Thomas-Hatch amendment. The Thomas-Hatch amendment is just as necessary to make the parity protection effective, whether or not the proviso amendment is adopted. If parity is to be used at all, it should be based on sound principles, rather than leaving such a fundamental issue to the discretion of some administrator whom the President may appoint.

If production is to have a minimum of protection, we believe that these three protective provisions are necessary, and we deplore any effort to confuse the situation by amendments to the subsidy provisions in the name of giving parity protection for our rapidly increasing labor costs.

Yours sincerely,

A. S. Goss,
Master, the National Grange.

Mr. McKELLAR. Mr. President, I ask that there be printed in the body of the RECORD as a part of my remarks a letter received by me from Hon. C. C. Flanery, Commissioner of Agriculture of Tennessee, in reference to the pending

measure, and also copies of telegrams attached thereto.

There being no objection, the letter and attached telegrams were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
STATE OF TENNESSEE,
Nashville, September 21, 1942.
HON. KENNETH D. McKELLAR,
United States Senate,
Washington, D. C.

DEAR SENATOR McKELLAR: Knowing that one of the problems that is absorbing your interest at this time is farm labor, I attach hereto a compilation of a great many telegrams that I have received from prominent people of Tennessee who on account of their work are in position to know something about labor conditions and are endeavoring to solve it from their angles. I also received replies from a telegram sent to the commissioners of agriculture east of the Mississippi River, and they are included in the collection. I hope that you will take time to glance through these telegrams, as I believe they form a nucleus of a solution of this labor problem.

Tennessee in some way will wiggle through the labor difficulties this year, but unless something more tangible is worked out—something which will insure the farmer labor enough to produce and harvest the crops he has planned for 1943—he will of necessity reduce his acreage.

If you have anything relevant to the labor situation from time to time, I shall appreciate your advising me.

In a letter to the Governor today I am suggesting that a meeting of the State board of agriculture be called for the purpose of discussing this with the idea of solving it as nearly as we can here in our own State.

Assuring you of my best wishes, I am,
Yours very truly,

C. C. FLANERY,
Commissioner of Agriculture.

TELEGRAMS PERTAINING TO FARM LABOR SITUATION IN TENNESSEE

MARTIN, TENN., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Draft board, war industries, Army-Navy installations drawing heavily. Agricultural labor serious, not yet critical. Next year's production decrease cotton, vegetables, milk. See you tomorrow.

J. P. CHASE.

TRENTON, TENN., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Labor short 20 percent. Cotton pickers critical. Locate areas having surplus labor. Close schools during peak period. Teach Saturdays. Farmers swap labor as in haying.

T. R. WINGO.

CLEVELAND, TENN., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Labor situation is very bad. Only children, women, the aged, and incompetents are on the farm. Looks like we will not be able to get cotton pickers. Most people have money and sneer at wages we can offer. Higher prices would help a lot.

NEAL VARNALL.

CHATTANOOGA, TENN., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Farm labor is scarce. However, farmers are swapping work and with help of some

women and children are able to meet present demand. Employment office and labor committee anticipate no major shortage this season.

—
BILL CARPENTER.

—
DOUGLAS, GA., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Demand for farm labor much larger than supply. Best way to improve condition extend labor working in industry from 40 hours to 56 hours per week.

—
CLYDE B. AUSTIN.

—
KNOXVILLE, TENN., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Labor situation critical, growing rapidly worse. Corn, hay, tobacco harvest delayed. If harvested at all, too late for seeding fall crops. Suggest farmers on draft boards to prevent stripping farms of men necessary to operate. Suggest allowing high-school students credit for farm work—at least, excuse absence for this purpose.

—
R. M. MURPHY,
County Agent.

—
COLUMBIA, TENN., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Replying to your wire, farm labor becoming scarce, due to high industrial wages and Army needs. Suggestions for improvement: Prices for agricultural products sufficient for farmers to compete with industrial wages; careful consideration of importance agricultural production by local draft boards; further use of boys and farm women; exercise of very best management.

—
J. F. PORTER.

—
MILAN, TENN., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Labor 60 percent normal. None listed with local employment office. Cotton and potatoes critical. Ask families of defense workers to assist. All others possibly urge all suggestions over radio with help.

—
DENTON FLY.

—
CHILHOWIE, VA., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Labor short. However, think will be able get products harvested provided Work Projects Administration and National Youth Administration labor made available.

—
J. B. BONHAM.

—
GREENFIELD, TENN., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Labor situation fair now. Will be very short when harvesting starts.

—
R. R. McUMBER.

—
MOUNTAIN CITY, TENN., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Critical farm-labor shortage anticipated within few days when peak season reached. Efforts to recruit 250 additional colored farm workers from migratory camp unsuccessful to date. Labor camp of 400 thought adequate to meet problem.

—
Col. J. C. MUSE.

—
NEWPORT, TENN., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Re telegram 31st. William Stokely. Agricultural labor situation in this section very acute and due to large number being called to armed service. This condition will very probably become worse. Our company's farming operations for 1942 largely over, however, and with the completion of the Douglas Dam, which has greatly aggravated the situation locally as result of agriculture not being able to compete with wages paid by Tennessee Valley Authority, we hope for improvement in 1943. But unless situation improves all agricultural operations will be badly curtailed due to inadequate labor.

—
STOKELY BROS. & Co., INC.
L. S. MOORE.

—
KNOXVILLE, TENN., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Re telegram. Farm-labor situation. Very serious in this section. Farmers can't compete with Tennessee Valley Authority Aluminum Co. and Government agencies in wages at the present price of their crops. Only even partial relief we see is State school superintendent permitting children to help harvest the heavy crops and plant the grain and lose credit in school. This may necessitate suspension of schools for a short time. Further, stop all Work Projects Administration work and utilize them on the farms.

—
DEAN BROTHERS.

—
DANDRIDGE, TENN., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Re your wire farm-labor situation. Becoming critical here due primarily to draft and Tennessee Valley Authority construction, but anticipate crops will be gathered this fall without great loss. However, if present trend continues, expect very material reduction in next year's production. Many essential agricultural workers are being drafted. Suggest adding to State selective service board a man thoroughly familiar with and sympathetic to the needs of agriculture. Also suggest local board make use of county agriculture labor advisory committee, which are now practically ignored by many local boards. Also suggest elimination of every Tennessee Valley Authority construction project that is not directly tied to the war effort.

—
ALFRED A. SWANN.

—
KNOXVILLE, TENN., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Retel. Labor situation growing tighter but not as acute as feared earlier in year. Suggest 6 weeks' closing of rural schools for harvesting and pooling of farm machinery.

—
S. T. MARSH.

—
GREENEVILLE, TENN., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Farm labor situation for harvest is acute. Suggest some farm boys be deferred.

—
CHANCE.

—
CROSSVILLE, TENN., September 2, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

The scarcity of farm labor is becoming very serious. Having a difficult time harvesting our 50,000-bushel crop of potatoes and other

crops. Draft boards should exempt more essential farm labor. Everybody, including women and children, should be permitted to work and put in longer hours.

—
CUMBERLAND MOUNTAIN
POTATO CO. FARMS,
CARTER MYERS.

—
JACKSON, TENN., September 2, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Farm-labor survey of July estimated 20-percent shortage cotton pickers. Report 30-percent shortage. Efficient use of machinery and other equipment as well as more labor from young people, women, and older men.

—
JUDD BROOKS.

—
SPRINGFIELD, TENN., September 2, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Farm-labor situation extremely acute. Letter follows, giving my ideas of present emergency.

—
GRAYDON L. MORRIS.

—
BATON ROUGE, LA., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Retel. Farm labor expected to be short when harvesting of rice, sugar, and cotton get under way. Rice section and parts of Cotton Belt rain is retarding harvesting. Good sugarcane crop in sight, with many young men in Army, high wages paid industrial workers, farm help will be short.

—
HARRY D. WILSON,
Commissioner.

—
MADISON, WIS., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Farm-labor situation in Wisconsin growing worse. Many dairy herds will be dispersed for lack of labor. Board of agriculture holding conference September 11 to discuss problem.

—
RALPH E. AMMON,
Director,
Wisconsin Department of Agriculture.

—
JACKSON, MISS., September 1, 1942.

Hon. C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Agriculture labor 35 percent short. All efforts being made to secure surplus town labor. Delta cotton section securing Mexican labor as pickers. Early school opening, being closed at noon each day.

—
SI CORLEY.

—
FRANKFORT, KY., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Horace Cleveland, Frankfort, Ky., is in charge of Federal Farm Placement Service, working with county farm bureaus and War Board. He has been successful in assembling and transporting labor from southeastern Kentucky to sections of the State where needed. Five hundred are now being assembled to harvest hemp crops. Wages paid by farmers \$2.50 per day and board.

—
WILLIAM H. MAY.

—
RALEIGH, N. C., September 1, 1942.

Hon. C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Nothing has been done about labor situation, but there has been much discussion.

—
W. KERR SCOTT,
Commissioner of Agriculture.

BOSTON, MASS., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

At least 6,000 high-school boys working on Massachusetts farms. Vegetable and fruit production and harvest labor apparently under control. Dairy labor situation critical, with some curtailment of herds and delivery routes. State employment service and department of education have placed thousands of boys as part-time workers. Many schools and colleges releasing boys afternoons.

LOUIS A. WEBSTER,
Commissioner of Agriculture.

COLUMBUS, OHIO, September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Critical situation confronting Ohio farmers with abundant crops of corn, soybeans, apples, potatoes, followed by wheat seeding. Attempting to connect farmers needing help with available high-school and college students wanting work.

JOHN T. BROWN,
Director, Ohio Department of Agriculture.

COLUMBIA, S. C., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Labor shortage becoming more serious each day. No concentrated action taken to avert. Mailing you copy of publicity story.

J. ROY JONES,
Commissioner of Agriculture.

RICHMOND, VA., September 1, 1942.

Hon. C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Agricultural labor situation here most serious. I understand Federal Employment Service tried to get relief from southern Virginia for Tennessee beans without success. Lack of authority to require people to work, together with high wages paid defense industries, are our main problems. No relief from State prisons.

L. M. WALKER, JR.,
Commissioner of Agriculture.

ATLANTA, GA., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Farm labor shortage serious in Georgia. Will call Commissioner Linders' attention to your wire on his return to the city.

EARL WINGO, Chief Clerk.

CHARLESTON, W. VA., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Your wire. Farm labor situation spotty; serious some sections. Dairy farmers affected by loss experienced workers, to selective service and war industries. Just completing intensive campaign enlist workers fruit and tomato harvests. Apparently successful. School one county delaying opening week to aid tomato growers, canners. Schools two other counties expect suspend during apple harvest. Regards.

J. B. McLAUGHLIN,
Commissioner of Agriculture.

TALLAHASSEE, FLA., September 1, 1942.

Hon. C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Retel. Outlook on labor shortage this State appears serious due to service induction and voluntary work in defense projects at wage scale prohibitive to agricultural pursuits. Various large agricultural divisions such as

citrus and truck farming are coordinating efforts to support request to National Government to temporarily suspend immigration laws to permit Bahama Island natives to enter Florida for agricultural purposes only. Florida's greatest need for agricultural workers is at harvest season beginning, about November.

NATHAN MAYO,
Commissioner of Agriculture.

SPRINGFIELD, ILL., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Labor situation for 42 fairly well taken care of except in isolated areas on special crops. These will be handled by local people using high-school boys for the next 2 or 3 weeks. This agricultural committee, State council of defense, the Illinois Agricultural Association, the Agricultural College, the State department of agriculture, and the United States Farm Placement Service are co-operating on a survey and possible source of labor for 1943. Will cover more in detail with letter.

HOWARD LEONARD,
Director, Illinois Department
of Agriculture.

HARTFORD, CONN., September 2, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Farm labor problem serious, but production maintained. Expected to get progressively worse.

OLCOTT F. KING,
Commissioner of Agriculture.

AUGUSTA, MAINE, September 2, 1942.

Hon. C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Agriculture labor situation very acute; growing progressively worse. Asking Federal aid to assist potato harvest. Schools co-operating fully. United States Employment Service helping all they can. No definite plan yet developed for 43.

CARL R. SMITH,
Commissioner of Agriculture.

INDIANAPOLIS, IND., September 2, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Farm labor situation Indiana very acute. In midst tomato harvest now. Have recruited boys and girls for tomato picking through local school systems. Making provision for leaves of absence of students needed to harvest crops.

CHARLES W. DAWSON,
Commissioner of Agriculture.

AUSTIN, TEX., September 2, 1942.

Hon. C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Retel. Taxes experiencing acute farm labor shortage. Have thoroughly investigated importation labor from Mexico and consider such impracticable because of the many restrictions. Patriotism and high farm wages are attracting maximum amount of local labor and this is what we must depend on for harvesting. Regards.

J. E. McDONALD,
Commissioner.

ROCHESTER, N. Y., September 2, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Submitting report direct at Commissioner Noyes' request. Every recruiting method has

been used. Supply of labor within State is exhausted. Increased acreage and high yields requires that at least 1,000 additional harvest workers be brought into western New York within 1 week if crops of tomatoes, beans, apples, and peaches are to be saved.

J. P. KING,
State Farm Placement Supervisor.

MONTGOMERY, ALA., September 2, 1942.

Hon. C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Retel. Agricultural labor situation in Alabama very serious. State Defense Council plan organization of harvesting groups of young people to do the job. School authorities cooperating by recessing schools for necessary time.

HAYGOOD PATERSON,
Commissioner of Agriculture.

KNOXVILLE, TENN., September 1, 1942.

C. C. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Retel. Farm labor situation very serious in this section. Farmers can't compete with T. V. A., aluminum company, and Government agencies in wages at the present price of their crops. Only even partial relief we see is State school superintendent permitting children to help harvest the heavy crops and plant the grain and not lose credit in schools. This may necessitate suspension of schools for a short time. Further stop all W. P. A. work and utilize them on the farms.

DEAN BROS.

CONCORD, N. H., September 3, 1942.

C. S. FLANERY,
Commissioner of Agriculture,
Nashville, Tenn.:

Present agricultural labor situation tough. Shortage comes from need of increased apple pickers. United States and State labor employment offices meeting supply probably 80 percent. Students from high school and college being listed will probably lift supply to 90 percent. Balance of 10 percent must be voluntary labor by women, girls, and older people who cannot climb trees for picking. State Department of Agriculture soliciting week-end labor of employees in State service. This labor will be utilized locally near homes of such employees. No outside camps established for itinerant or emergency labor.

ANDREW L. FELKER,
Commissioner of Agriculture.

Mr. McKELLAR. Mr. President, I also ask permission to have printed in the body of the RECORD certain other telegrams on the same subject received from various individuals and organizations.

I believe that in the adjustment of parity for farm commodities, increased labor costs should be included by all means.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

FRANKLIN, TENN., September 23, 1942.

Hon. K. D. McKELLAR,
Senator, Washington D. C.:
Farmers, this county, endorse ceiling prices farm products provided wages ceiled also.

H. C. MEACHAM,
President, Williamson County Farm Bureau.

DRESDEN, TENN., September 23, 1942.

Senator K. D. McKELLAR,
Washington, D. C.:
In opinion of the Weakley County Farm Bureau the new price-control bill now before Congress should provide ceilings on

wages in line with ceilings on farm price. Also ceilings on agriculture commodities should not be fixed less than parity prices, adjusted in line with advance labor cost. Increase labor cost would necessitate raising farm price floor 85 to 90 percent parity.

L. F. BURK,

President, Weakley County Farm Bureau.

UNION CITY, TENN., September 23, 1942.
Senator K. D. McKellar,

Washington, D. C.:

We, the Farm Bureau of Obion County, Tenn., representing the farmers, do urge that you support a bill for floor of 90-percent parity of all farm commodities, price adjusted for all increase labor costs.

H. S. WOOD,

President, Obion County Farm Bureau.

MEMPHIS, TENN., September 24, 1942.
Hon. K. D. McKellar,

United States Senator,

Washington, D. C.:

Unless provision made in ceiling on farm commodities to take care of increased labor costs next season, crops will fall below requirements for feeding and clothing ourselves and Allies. Hope you will support such an amendment and ask the other Tennessee Congressmen to do likewise.

STOVAL JETER.

KENTON, TENN., September 23, 1942.

Senator K. D. McKellar,

Washington, D. C.:

Gibson County farmers are disturbed as never before at the continuing rising cost of farm labor. Farmers in one accord are expecting you to consider this item as a tremendous increase in cost of production while arriving at a conclusion on price-control bills now before the Senate and House.

A. J. HARRIS,

President, Gibson County Farm Bureau.

SPRINGFIELD, TENN., September 23, 1942.

Hon. K. D. McKellar,

United States Senator,

Washington, D. C.:

We are asking that new price-control bill should include ceilings on wages in line with ceilings on farm prices. Ceiling on farm products not to be fixed less than parity prices adjusted to cover cost of production. Raising farm price floor from 85 to 90 percent parity price adjusted for all increase labor cost.

JOEL V. BELL,

President, Robertson County Farm Bureau.

PARIS, TENN., September 23, 1942.

Senator K. D. McKellar,

Senate Office Building,

Washington, D. C.:

Henry County farmers expect your support in seeing that new price-control bills before Senate and House provide ceiling on wages comparable with ceiling on farm prices.

ED MCCLURE,

President, Henry County Farm Bureau.

BOLIVAR, TENN., September 22, 1942.

K. D. McKellar,

Senate Chamber, Washington, D. C.:

We heartily endorse the bill providing ceiling on wages comparable with ceiling on farm prices and that ceiling on agricultural commodities include increased labor cost raising farm prices floor from 85 cents to 90 percent of parity.

W. F. RICHARDSON,

HARDEMAN COUNTY FARM BUREAU.

CHARLESTON, TENN., September 22, 1942.

Senator K. D. McKellar,

Washington, D. C.:

Will appreciate your support to the amendment price-ceiling resolution by Senator THOMAS of Oklahoma and HATCH, of New

Mexico. Which provides for including of all farm labor in parity determination for price ceiling purposes.

N. R. WILSON,

CHATTANOOGA AREA MILK

PRODUCERS ASSOCIATION.

NASHVILLE, TENN., September 22, 1942.

Hon. KENNETH D. McKellar,

United States Senate,

Washington, D. C.:

Want to urge your support proposal pending House and Senate to amend party farm bill by including cost of farm labor. Am informed that all farm organizations with possibly one exception are in favor of such action.

C. C. FLANERY.

SMITHVILLE, TENN., September 23, 1942.

Senator K. D. McKellar,

Washington, D. C.:

DeKalb County farmers favor ceiling on wages comparable ceilings on farm prices provided agricultural commodity prices not be fixed less than parity prices adjusted to cover increases and labor cost. Farmers feel that both wages and farm prices should be controlled but on an equitable basis.

DEKALB COUNTY FARM BUREAU,

GROVER EVANS, President.

FAYETTEVILLE, TENN., September 24, 1942.

Hon. K. D. McKellar,

Washington, D. C.:

Please support anti-inflation farm-wage bill as passed by the House of Congress yesterday as farmers in many instances are having to pay as much as 300 percent increase for farm labor.

LINCOLN COUNTY FARM BUREAU,

JNO. C. HAMPTON.

MEMPHIS, TENN., September 23, 1942.

Hon. KENNETH McKellar,

Senate Office Building,

Washington, D. C.:

National Cotton Council just completed survey current cotton farm labor costs. September 1942 labor costs 251 percent of same costs 1940.

Bureau Agricultural Economics estimates cost production 1940 crop 9.6 cents per pound lint cotton. Using Bae formula and applying increases in labor and other costs prevailing September 1942, cost production 1943 and subsequent crops will be increased to approximately 21.5 cents per pound lint cotton, based on preceding 10-year average yield, assuming pending legislation freezes all labor and other costs at current levels.

Cotton production cannot be maintained unless these facts are recognized. Strongly urge your support of amendment requiring inclusion farm labor costs in calculating parity price.

OSCAR JOHNSTON,

President, National Cotton Council.

Mr. SHIPSTEAD. Mr. President, I ask that the pending amendment be read by the clerk.

The PRESIDING OFFICER. The pending amendment offered by the Senator from Oklahoma [Mr. THOMAS] will be stated.

The CHIEF CLERK. On page 4, at the end of line 13, it is proposed to add the following new paragraph:

For the purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

Mr. SHIPSTEAD. Mr. President, the amendment just read being the subject before the Senate, I shall address myself to it and to its purpose, as well as to the

necessity for agreeing to it, as I see it, in view of the way in which parity is now defined in the law.

The cost of labor to the farmer is not recognized or accounted for in the fixing of prices under the parity formula. The necessity for recognition of the cost of labor is the reason for the pending amendment. The amendment has the support of the Senate Committee on Agriculture and Forestry, the main farm organizations of the country, and other patriotic citizens who realize that there is an unbalance in the economy of our war program.

It is surprising that in these days of war profiteering and cost-plus contracts there should be any objection to giving the farmer the cost of his labor when fixing the prices of his products. The battle cry of American industry and industrial labor has been to provide a living wage and profits based on inclusion of the difference between the costs of production at home and abroad. With that battle cry, our industrial labor, trusts, and monopolies have succeeded in having passed protective legislation for the industrial employer and employee. A Federal Tariff Commission was created to investigate the difference between the costs of production, including wage scales at home and abroad, in order to obtain through the protective tariffs a living wage for industrial workers and the cost of production plus a profit for the industrial employers. That has been the fundamental theory of the so-called protective tariff system.

For more than 50 years the battle cry I have just mentioned has been the particular battle cry of the Republican Party, ably supported by the Senators and Representatives coming from the industrial centers of the country. Industry and labor must have, it was said, cost of production plus a profit, and labor must have a living wage at the same time that the industrialists receive all their costs plus a profit. When the industrialists receive all their costs they also receive in their prices the cost of labor.

The amendment now before the Senate providing for the inclusion of the cost of labor to the farmer in the determination of parity is now opposed by both Republican and Democratic Senators who have voted to give the cost of production plus a profit to industrialists, plus a living wage to the industrial workers. The cold-blooded fact is that in this day of war profiteering the farmer and his family are expected to produce food on the home front without having their own labor cost or the cost of their hired labor being added to the prices for their products. That is the theory advanced by the present administration.

That theory of economics is based upon the fraudulent claim that the country is in danger of financial and economic ruin by the farmers if the farmers are allowed compensation for their own labor as well as compensation for the hired labor on their farms. In his Labor Day speech the President indicated that such a calamity would result; and later in a letter which he wrote he said he would veto a bill providing for farm prices high

enough to compensate the farmer for the costs of labor performed on the farm. He even said that if Congress did not repeal certain provisions of existing law in accordance with his wishes he would do so himself under powers he claimed to have, but whose source he did not divulge. It seems to me that the President, as the announced author and prophet of the four freedoms and as expounder of the democratic processes, should send us another message making known the source of the powers which he claims to have.

In the debate on the amendment various claims have been made relative to the increase of farm prices since the depression, and it has been intimated that the increases in farm prices have been at a higher percentage than have the increases in prices of industrial products and wages to labor. That assumption is not true; but if it were true it could be based only upon the fact that industrial labor as such did not sink to the low level of income that the farmers had during the depression. Although there was a great deal of unemployment during that period, the wages of those employed in industry did not sink to the level of the wages received by W. P. A. workers; but the income of farmers did.

So we must remember that when the war program commenced, and even before then, when prices and wages started to rise, the income of farmers started from a lower level than did the wages of industrial workers. Therefore, the farmers had further to go, and still have a long way to travel upward in income before their income can be on a basis of equality or parity with that of industrial labor, not to say that of industrial employers.

The Senator from Michigan [Mr. BROWN] made an eloquent defense of the President's position. I do not know of anyone who could have made a better defense. The Senator made the statement, if I understood him correctly, that unless wages were fixed and frozen now, it would never be done. The President could have done that a long time ago if he had wanted to have them fixed.

The President said he would handle the industrial wages and leave the bargaining power to employer and labor and to the War Labor Board, appointed by himself and under his direction. The farmer has no bargaining power. He cannot bargain with the miller or the packer or the butcher. He must take his product to the market and take what the buyer will give him. He buys in a protected market and sells in an unprotected market; he buys in an organized market and sells as an individual; and when a bill is advanced to control farm prices, we have the imperial edict, even from the White House, that the cost of labor must not be included in the price to the farmer, in order to save the country from inflation and economic collapse.

What is it that causes inflation, but for one thing, shortage of production of necessary goods, of which food is the most important, and, further, the psychological effect of an irredeemable debt—a debt so colossal that it cannot be paid by taxes, because taxes to pay it would

weigh so heavily on production as to throttle it. There are other factors, but those I have named are, in my opinion, the most important.

The best antidote to inflation is increased production at sufficiently high prices to bring about such production as is necessary to cause a turn-over sufficiently large to raise the national income high enough to furnish taxes sufficient to pay the debt. A low price level cannot produce income sufficient to pay a debt growing faster than production.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. DAVIS. Does the Senator believe that the adoption of the Thomas amendment would increase production on the farms of America?

Mr. SHIPSTEAD. If I did not think so, I would not favor the amendment. I think I shall make that plain to the Senator. A low price level cannot produce income sufficient to pay a debt which is growing faster than is production. It is said production will win the war. In my opinion that of itself is not sufficient, but it is possibly the most important factor. It is also said that production of food will win the war. What is the outlook for the production of food at the present time and under present prices? From all over the country, from the agricultural communities, we find increasing distress in the farm areas due to shortage of labor.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. WHEELER. I did not catch the answer the Senator made to the question asked by the Senator from Pennsylvania; but let me say that I have just come from among the farmers, and certainly one of two things must happen: Either the farmer has got to reduce his production because he cannot afford to pay the price for labor that is being paid in the defense industries or it will be necessary to raise the price of farm products so that he can afford to pay higher wages to farm labor. Either that has got to happen, or the price of labor has got to come down, or production will be stopped. I know the farmers of my State—and I think the same condition exists in every other State—are not going to be able to plant crops next year, and the cattlemen are going to have to sell their cattle, because they cannot get help and cannot pay the prices necessary to be paid in order to keep their sheep and hogs and cattle. So, in this situation, one of the things I have mentioned is bound to happen.

Mr. SHIPSTEAD. I thank the Senator for his contribution.

Because of low prices the farmer cannot compete for labor with industry having war contracts on a cost-plus basis, paid by the taxpayers of the country. There has been a drain of farm labor to the industries. Young men and experienced farm men have left their \$60 and \$75-a-month jobs on the farm to go to defense industries where they receive that much a week. The draft has taken possibly as many more. With this the

farmer at present prices cannot compete. Consequently, we have farm sales all over the farming areas. I happen to know that it is true not only in Minnesota, Wisconsin, North and South Dakota, but it is universal, as letters and correspondence from farm communities will show. Farmers are selling their horses, cattle, machinery, pigs, and chickens on a flooding market, because the operator of the farm and his wife cannot continue to carry on without the necessary labor. Breeding herds are being dumped on the market. Do you realize, Mr. President, that it takes 3 years to restore a herd of breeding cattle? Yet they are now being sent to the market. The feed lots of the Corn Belt hold 20 to 30 percent less animals for finishing this year than last year.

Mr. WHEELER. Mr. President, will the Senator yield at that point?

Mr. SHIPSTEAD. I yield.

Mr. WHEELER. I have just received a letter from a constituent of mine in southeastern Montana. He has 1,800 head of sheep, 500 head of cattle, and several hundred head of hogs. He is about to be called by the draft, and, of course, he will have to sell all his sheep and all his cattle and all his hogs because there is nothing else he can do. He is one of the very substantial breeders in the State, but he is being taken into the draft notwithstanding the fact that he is the only man on that farm and has large herds of sheep, cattle, and hogs.

Mr. SHIPSTEAD. I expect to go into that subject in detail a little later.

Mr. WILEY. Mr. President, will the Senator yield at that point?

Mr. SHIPSTEAD. I yield.

Mr. WILEY. I have before me an excerpt from the Inter-Mountain Leader, a newspaper published in Frederic, Wis., showing that auction sales from September 10 to September 19—9 days—averaged about two and a half or more a day during that period; so that each day practically three farmers are selling all their machinery and cattle. I quote the following statement from the Inter-Mountain Leader.

Labor cannot be kept on the farm unless the farmer can pay somewhere in line with industry. The proposed price ceiling will not permit it. It is leading to families sustaining farms where the owner must do all the work himself. Those unable to work are having sales.

Let me add that Frederic and its environs have about a thousand population. Think of it! Think of a community of that size having such a number of sales. As I stated on the floor of the Senate a couple of days ago, quoting the dean of the College of Agriculture of my State, tens of thousands of milk cows are being thrown upon the market. What will that mean next year when we want cheese and butter and milk?

Mr. President, with permission of the Senator from Minnesota, I ask unanimous consent that the statement to which I have referred be printed in the Record in full.

There being no objection, the statement was ordered to be printed in the Record, as follows:

The following material has just been received from Allan Fahland, Clam Falls, Wis., relative to tendency of farmers to sell out their property, thereby reducing the future output of food products.

The intercounty leader, Frederic, published the following auction sales for the Frederic area:

Thursday, September 10, two auction sales.
Friday, September 11, four auction sales.
Saturday, September 12, two auction sales.
Monday, September 14, three auction sales.
Tuesday, September 15, three auction sales.
Wednesday, September 16, three auction sales.

Thursday, September 10, two auction sales.
Friday, September 18, one auction sale.
Saturday, September 19, three auction sales.
(Above only for one small community.)

In a recent letter, Mr. Fahland, who is director of the Land O' Lakes Creamery, himself a farmer operating a 200-acre dairy farm, said: "It's not so much a question relative to the proposed price ceilings on farm products hurting the farmer in his efforts of making a living as it is that the Nation will be in a desperate situation in a very short time for want of food and fibers. They (Government) must be warned before it is too late.

"Labor cannot be kept on the farm unless the farmer can pay somewhere in line with industry. The proposed price ceiling will not permit it. It is leading to families sustaining farms where the owner must do all the work himself. Those unable to work are having sales. Others are having sales so as to go and work in defense plants."

Mr. SHIPSTEAD. Mr. President, I have letters from my State which advise that in various localities the auctioneers are billed for farm auctions every day until Christmas.

There is evidence all over of a greatly reduced production of agricultural products of all kinds for another year or two that may cut production from one-third to one-half. We know that production in foreign countries must be at a very low ebb. If we permit production of food to be reduced instead of producing to the limit, I fear we will bring on a calamity of such dire proportions as has never been imagined in our Nation's history.

There have been times when we have had surpluses for our own use, but now under lend-lease policy we are committed to feed the world. Our future commitments seem to be unlimited. With our present outlook for production of food and our present outlook for future necessities, both at home and abroad, not only for our own forces abroad, but for populations abroad, it is not beyond reason to anticipate not only a shortage in our own country, but extreme need and suffering.

The only way to get production in industry is to pay the price—cost of production plus a profit. Agriculture is an industry. Shall the farmer be deprived of relative equality because he is chained to his farm and his home by financial obligations, family ties, and the memories of a lifetime effort of struggle and privation where he has been able to hang on in spite of political and economic forces that have exploited him down through the ages? Is it planned that way because the farmer is inarticulate? Is he subject to the constant attack by newspapers because he is not an advertiser? Is he looked upon as legitimate prey by organized industry and capital,

organized into great corporations, because the farmer is still an individual and a small capitalist?

The small businessman is a small capitalist, as is the farmer. It is a fundamental theory of communism that the first road to communism is to eliminate the petit bourgeoisie, the small capitalist. He is the foundation of representative and democratic form of government—constitutional government. He has his little property, his little farm, or his home, and he wants to defend it. Eliminate him, and the few who have gathered the wealth at the top will be easy to take, as it is planned that way.

While fighting a world war on the seven seas to free exploited people from economic slavery abroad, are we going to increase our exploitation of the weak minorities at home? Talk about the rights of minorities—of course, the farmer is a minority, and the combination ganging up on him in politics and economics is overwhelming.

While fighting for the economic and political minorities abroad, how can we reconcile our economic pogroms on our agricultural minority at home?

On February 18, 1937, our Ambassador to Russia, Mr. Joseph E. Davies, wrote a letter to Senator Pat Harrison, of whom we were so fond, which I placed in the Record on July 6, 1942. In speaking of conditions in Russia, he said:

Bureaucracy has an ironclad tie-up with the industrial workers against the farmers.

In other words, the Government, its bureaucracy, and industrial workers, were ganging up against the farmers. Is it planned that way here? One would almost be led to believe so when one realizes that with industry having Government contracts on a cost-plus system, the contractor, to protect and increase his profits, can hire an extra thousand, 2,000, 3,000 men more than he needs, put them on higher wages than they ever received before, in order to increase his cost and so increase his profit; and do not forget that that is being done. No one denies that that is being done on a wholesale scale. I have protested to high authorities in the war production set-up and was asked to bring the proof. I replied, "I am not a detective. You have your inspectors. If they are honest, they can get the evidence." I have people writing me, confidentially, telling me what is going on. I have even had workers write and tell me that though being unskilled they were put on a high-skilled pay roll and told not to work too fast. Failure to remedy this waste, which is one of the great factors in the threat of inflation, will lead to the suspicion that it is all done with connivance of higher authorities.

At any rate, whoever is responsible, they are sabotaging not only the taxpayer but the war effort.

I quote now the statement of a man who has huge defense contracts, disclosing how these profits are accumulated. He states:

Inflation resulting from industry taking men from farms at \$80 per month and putting them in industrial and construction jobs at \$4,000 per year cannot be controlled until Renegotiation Law 528 is repealed or

modified. Two contractors take contracts for identical material at identical contract prices, and the efficient contractor finishes his job in half the time and at half the cost of the inefficient contractor. Then renegotiation forces the efficient contractor to give back all the funds he has saved through efficient operation and then forces him to take new contracts at half price. The inefficient contractor takes twice as long to deliver, gets his full anticipated profit, is not renegotiated out of anything, and is called honest by congressional investigators. Because renegotiation bases profit on cost, the highly efficient contractor can double his profit by hiring a thousand unnecessary men or merely adopting a passive attitude which automatically slows up shipments, thereby increasing his cost and protecting himself against taking future contracts at reduced prices. Renegotiation and high taxes have stopped private expansion, so Government must provide additional manufacturing facilities to obtain urgently needed increased output. Private industry is all confused because of renegotiation and hesitates to take additional contract burden, forcing contracts into inefficient, high-cost, Government-operated plants, thereby forcing further building of Government-owned facilities and wasting material needed for ships and guns. This war will require a hundred times as much ordnance machinery as the last war, and there is absolutely no possible way for any law to control inflation resulting from waste when the only way a manufacturer can insure his existence is to increase his costs by hiring thousands of unnecessary employees so, when unforeseen contingencies arise, he can decrease his costs by eliminating the unnecessary employees. Remember, it takes 10 years' taxes from a worker to pay his wages for 1 year. Then add the cost of additional manufacturing facilities required for each worker and you have a staggering picture. Germany is highly efficient in machinery production, and we must win the war on the margin of profit which exceeds Axis output. Manufacturers are not opposed to high taxes or profit limitation based on sales instead of cost and imposed after paying Federal taxes. This plan encourages rapid turn-over because the contractor knows that efficient production will not boomerang and destroy him.

The farmer cannot negotiate any contracts for his own protection. It appears doubtful now that his Government will protect him. He is charged publicly by high officials to be public enemy No. 1, endangering the war effort and the national economy because of inability to continue production under the present and proposed price set-up. There is plenty of evidence of this statement to be found in practically every State in the Union.

I am going to vote for the amendment to include labor costs in the price to be received by the farmer, but, even with that included in the bill, I doubt that in consideration of all handicaps with which the farmer has to contend, that that will give him a price level making it possible for him to continue production to the necessary peak of anticipated requirements.

Parity in the present law is based on the income to farmers in the 5 years 1909-14, compared with that of the city dwellers in the same period. In those years the average individual income on the farm for each member of the family was \$135, and in the city the average income of the individual was \$487. That is the ratio of income attainable under

the present parity law that we are trying to amend.

Can it be that the average per capita farm income of \$135 is parity with the average nonfarm income of \$487 for people in the city?

Farmers represent about 24 percent of our population and in 1939 received 7.6 percent of our national income. The newspapers do not carry these facts to the people.

The President says he wants to eliminate gross inequities. I call this gross inequity to his attention and to the attention of the Congress.

Mr. President, I have received and can produce hundreds of letters from representatives of farming communities stating what the conditions are, but I shall not produce them because they would clutter up the Record. I have some letters from farm organizations and a communication from the Cooperative Milk Producers of Minnesota. I have received letters from members of the National War Production Boards of various sections of Minnesota explaining the drafting of men away from the farms. I sent one of the letters to General Hershey, Director of the Selective Service System, and he sent me a very courteous answer.

I ask to have placed in the Record, following my remarks, a letter from Martin M. Olsen, chairman of the W. Otter Tail County, U. S. D. A. War Board.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See exhibit A.)

Mr. SHIPSTEAD. Mr. President, following that I should like to have printed in the Record the letter from General Hershey to me, explaining how the Selective Service System is handicapped, and offering a remedy.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit B.)

Mr. SHIPSTEAD. Mr. President, I am sure General Hershey is an honest man. However, I wish to point out how impossible it is under his formula to get any labor on the farm. I shall read from the letter, and then will make some remarks to show in what respects I think he is mistaken. I do not think he makes any intentional misstatements at all, but nevertheless I think he leaves the problem unsolved after he has made the suggestion for a remedy. In his letter he says:

It is not the desire of the Selective Service System to contribute toward the decrease of the productivity of the farms of this Nation. Our policy relative to the selection and induction of persons engaged in agriculture was formulated only after a thorough study of the farm situation was made and after several conferences with representatives of the Department of Agriculture.

Statistics indicate that a large percentage of persons who have left the farms have done so for the purpose of securing more lucrative positions in industry.

That, Mr. President, is, of course, true.

A large percentage of the persons who have left the farms to enter the armed forces have done so voluntarily—

Of course that is true.

I believe that the farmers of this Nation fully appreciate the fact that it will be necessary for them to furnish a proportionate share of the manpower for the armed forces.

Of course, the farmers understand that.

In our contacts throughout the Nation this has been generally ascertained to be true. Men will have to leave the farms, in some instances, to enter the armed forces, just as it has been necessary for employees in other essential industries to enter the armed forces. It is imperative that only "necessary men" be deferred. "Necessary men" in agriculture are eligible for deferment, just as are "necessary men" in other industries. The farming industry, however, will have to do a certain amount of recruiting to secure replacements for the persons entering the armed forces.

Mr. President, there is where we are up against it. Let us take, for example, a county in which there are 2,000 men employed upon the farms. They are receiving two or three dollars a day. Along comes a defense plant and offers men \$75 a week. One reason for offering such wages is to get men so as to bring about defense production. Another reason is that a contractor usually has a cost-plus contract, and the higher wages he pays the more he makes, and wages are to be based upon the level of the going wages of labor in the locality. Suppose the defense plant takes a thousand men out of the county; that leaves only 1,000 men to do the work on the farms. Then along comes the Army and takes 500 of those men. Then there are only 500 men left to do the work on the farms which 2,000 formerly did. It simply cannot be done.

General Hershey says that the farming community as a whole must recruit men and get them back on the farm. How are they to be recruited unless they are offered a wage which would induce them to come back to the farm? Unless the farmers receive a price for their production sufficient to enable them to offer wages which will bring about recruiting of farm labor we are not going to get the needed production in America.

Mr. President, it seems to me we are in a very tragic situation. I think that is due to faulty planning. If the present condition had been anticipated, if the whole program had been handled by men who understood the problem, who could foresee and anticipate the present situation, who could foresee what would happen to agriculture and the production of food by reason of the war, the present unfortunate condition could have been prevented. There was little thought, however, at the time the program was inaugurated, and the "thought" came too late. Too little in the beginning, and too late.

Mr. President, I do not think the pending amendment will solve the problem, but at least it is a beginning. The farmers are waking up to the condition they are in. I do not believe we can win the war with a lopsided economy of driving the farmers out of production and threatening the country with a shortage of food, food to feed those engaged in industry, as well as those in the armed forces, and to meet our commitments to foreign countries. I do not believe we can supply the food that is needed when

farmers are being obliged to get rid of productive animals, breeding animals. The hired man on the farm may be taken in the draft. Perhaps one of the farmer's boys is taken. The farmer has perhaps 160 acres of land, and 10 or 20 or 30 cows. The only thing he can do is to sell everything, and trust to being able to live on a little garden, with a pig or two and a couple of cows, and do the best he can.

Mr. President, I hope the amendment now pending will be adopted following the action of the House on yesterday. The Members of the House come from every district of the United States; they are nearer to home than are Members of the Senate; they are nearer to home than are the advisers to the President. They are nearer to those who produce the Nation's food.

Friends of the President have said on the floor of the Senate that they have a great deal of confidence in the President, but that they do not have so much confidence in his advisers. The trouble is that the President has to depend upon advisers in whom we have very little confidence. I am sure the advisers who prepared the speech for the President which he delivered on Labor Day gave him very bad advice. I think those who are familiar with agricultural conditions throughout the country know that it was bad advice. The President's advisers said that if the country is to be saved from economic inflation agricultural prices must be reduced. They felt that such action must be taken in order to save the country from economic collapse. As a matter of fact, Mr. President, farm prices are now so low as to threaten a shortage of production of the food necessary to supply the population of the United States and our armed forces abroad. That is the first possible collapse we may have, unless some measure far more drastic than that now before us is adopted. The best I can say for the pending amendment is that I think it is a step in the right direction.

Mr. President, no one fears inflation more than I do. We know that inflation means ruin for our national economy. With our tremendous national debt, far outrunning our production, far outrunning our price level, how are we going to get the taxes with which to pay the bonds on the basis of the price level we now have? The only way they can be paid is by means of correspondingly high price levels. Unless the people are able to begin to pay taxes somewhat in proportion to the increase of the national debt, we shall have the psychological suspicion that we are not going to be able to pay at all, and then we shall have real inflation. The people cannot pay taxes in sufficient amount to hold down inflation unless the general price level is raised so the people will receive the money with which to pay the taxes.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. WHEELER. I hold in my hand a booklet entitled "Land Policy Review," published by the Bureau of Agricultural Economics, Department of Agriculture. It is stated that it is published by the

Department of Agriculture with the approval of the Bureau of the Budget.

On page 3 of the booklet is an article written by Raymond C. Smith, in which he says:

It seems quite likely that agriculture will lose more than one million additional workers before the end of 1943.

It is my understanding that 2,000,000 workers have been taken from agriculture thus far, and that another 1,000,000 will be taken.

I then call attention to an article on page 8 of the same booklet in which the following appears:

Increased production called for in January, 1942—production goals—will require 143,000,000 more 10-hour days of work than were required by agriculture in 1941.

So, Mr. President, 143,000,000 more 10-hour days are going to be required next year than were required in 1941, and 1,000,000 more men are to be taken from the farms. I wish someone would explain to me how 143,000,000 more 10-hour days of labor are to be secured on the farms if the prices of farm products are to be kept down, and, in addition, a million more men are taken off the farms.

Mr. President, I agree with what the Senator from Minnesota has just said. I agree with the President of the United States that one of the most disastrous things that could happen to the United States would be a runaway inflation. I was in Germany and Austria in 1923, and saw the result of inflation in those countries. That inflation brought about the collapse of Germany, and probably was the reason for bringing Hitler finally into power. But how, Mr. President, can the farmers of the country furnish the food required by the civilian population as well as our armed forces when 3,000,000 workers are taken from the farms, and when farmers are losing help because of high wages paid in industry. Goodness knows, I have been in favor of high wages for workers, but the farmers cannot compete with industrial plants in that respect.

Mr. SHIPSTEAD. I thank the Senator. Mr. President, I yield the floor.

EXHIBIT A

UNITED STATES DEPARTMENT

OF AGRICULTURE,

U. S. D. A. DEFENSE BOARD,

Fergus Falls, Minn., September 1, 1942.

Hon. HENRIK SHIPSTEAD,

Washington, D. C.

DEAR SENATOR SHIPSTEAD: During the past weeks, there has been a continual stream of reports that a very large percentage of our farmers will hold auction sales this fall and quit farming. The reason given for the auction sales is the utter lack of the help needed to carry on our type of farming. There is adequate machinery to plant and harvest crops, but the feeding of livestock still needs a high percentage of manpower and better than average farm-hand training.

We feel that a review of the farm-labor situation will result in great help to secure the production of the foods that we will need.

There has been a double drain on manpower in the farming area. We know that the fighting forces need our men to help win the war. But in addition to the drafted men there has been a steady flow of labor to the high-pay area that has been granted defense

contracts. Furthermore, it is not only the higher pay that attracts men, but there is also the feeling that men in defense industry are receiving special deferment privileges. The deferments granted act as a third drain of manpower in a strictly agricultural community.

We are just finishing a harvest of grain crops and have honestly tried to produce about 20 percent more food with 20 percent less help. Besides the transient help, women and children have pitched and will continue pitching. But this work is of the type that can be done by transient help and we are now coming to the feeding. Livestock needs continuous attention and cannot be carried on by picking up a man today and going without tomorrow. If we are to satisfy the needs of our country in the way of meats, butter, cream, and eggs, it will be necessary to leave a portion of trained farm help in our area.

We believe that industry also should be asked to replace the young men fit for active service with older men and women wherever possible. The local draft boards should be asked to gradually cancel the deferments given migratory factory workers, thereby leaving a larger portion of trained men in livestock-farming sections. Next with ceilings on farm products and no curb to wages in industry, the farmer cannot compete for help.

There is perhaps no immediate danger as this year's production of meats is still to be put on the market. We are looking forward to the possible production 6 to 12 months in the future. The trend is here, but we feel that it can be turned in the right direction by the use of a little ordinary horse sense. We should have the ability to smooth out the dips and keep our people ever confident of the future. We can win by just a little harmonious planning.

Very truly yours,

MARTIN M. OLSON,
Chairman, West Otter Tail County,
United States Department of
Agriculture, War Board.

EXHIBIT B

NATIONAL HEADQUARTERS,

SELECTIVE SERVICE SYSTEM,

Washington, D. C., September 19, 1942.

The Honorable HENRIK SHIPSTEAD,

United States Senate.

Subject: Deferment of persons engaged in agriculture.

DEAR SENATOR SHIPSTEAD: Your letter dated September 4, 1942, together with enclosure relative to the above-mentioned subject, has been received in this headquarters.

It is not the desire of the Selective Service System to contribute toward the decrease of the productivity of the farms of this Nation. Our policy relative to the selection and induction of persons engaged in agriculture was formulated only after a thorough study of the farm situation was made and after several conferences with representatives of the Department of Agriculture. Our policy is expressed in Memorandum to All State Directors (I-375) and Local Board Release No. 115, copies of which are being enclosed for your information.

Statistics indicate that a large percentage of the persons who have left the farms have done so for the purpose of securing more lucrative positions in industry. A large percentage of the persons who have left the farms to enter the armed forces have done so voluntarily and have not been inducted through the Selective Service System. I believe that the farmers of this Nation fully appreciate the fact that it will be necessary for them to furnish a proportionate share of the manpower for the armed forces. In our contacts throughout the Nation this has been generally ascertained to be true. Men will have to leave the farms, in some instances,

to enter the armed forces, just as it has been necessary for employees in other essential industries to enter the armed forces. It is imperative that only "necessary men" be deferred. "Necessary men" in agriculture are eligible for deferment, just as are "necessary men" in other industries. The farming industry, however, will have to do a certain amount of recruiting to secure replacements for the persons entering the armed forces. It is well appreciated that adjustments will have to be made, but similar adjustments are being made in every occupation.

I wish to assure you that this Headquarters fully understands and comprehends the importance of the farms at this time. I believe that the record crops that are being produced this year are records that this Nation should be proud of. The farmers have done and are doing a good job. However, as I have said above, a certain proportion of the manpower for the armed forces should come from the farms.

I have given your letter and Mr. Olson's letter careful consideration and appreciate the motive that compelled Mr. Olson to write to you. This headquarters welcomes criticism and suggestions. We believe that the Selective Service System has operated and is operating efficiently. We realize, however, that errors may be made in certain isolated cases. We desire to have those cases called to our attention.

I wish to assure you that we are continually observing and considering the problems that are confronting the farmers, and we will, from time to time, issue directives to the local boards as changing circumstances may warrant.

The enclosure that accompanied your letter is being returned.

Sincerely yours,

L. B. HERSHEY,
Director.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. O'MAHONEY obtained the floor.

Mr. SMATHERS. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. O'MAHONEY. I yield.

Mr. SMATHERS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Overton
Andrews	Guffey	Pepper
Austin	Gurney	Radcliffe
Bailey	Hatch	Reed
Ball	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Russell
Bone	Holman	Schwartz
Brewster	Johnson, Calif.	Shipstead
Bridges	Johnson, Colo.	Smathers
Brooks	Kilgore	Smith
Brown	La Follette	Spencer
Bunker	Langer	Stewart
Burton	Lee	Taft
Butler	Lodge	Thomas, Idaho
Byrd	Lucas	Thomas, Okla.
Capper	McCarran	Thomas, Utah
Caraway	McFarland	Tobey
Chandler	McKellar	Truman
Chavez	McNary	Tunnell
Clark, Idaho	Maloney	Tydings
Clark, Mo.	Maybank	Vandenberg
Connally	Mead	Van Nuys
Danaher	Millikin	Wagner
Davis	Murdock	Wallgren
Downey	Murray	Walsh
Ellender	Norris	Wheeler
George	Nye	White
Gerry	O'Daniel	Wiley
Gillette	O'Mahoney	Willis

The PRESIDING OFFICER. Ninety Senators have answered to their names. A quorum is present.

Mr. O'MAHONEY. Mr. President, the issue before the Senate today is one which, in my judgment, requires a great deal of plain speech. I hope that I shall be able to carry on this discussion without heat and without any artificial attempt to arouse emotion. I wish to indicate quite clearly that the impression which has been spread abroad in this country, that the farmers of America constitute a privileged class, is absolutely without basis. I wish to show—and I think I can show—that the only privilege which the farmer is being called upon to exercise today is the privilege of serving his country, and of doing it in a patriotic and restrained manner.

The letter which the distinguished sponsor of the pending joint resolution read, from a flyer about to be engaged in conflict upon the battlefield, is an illustration of the perfectly outrageous misrepresentation of this issue which has been carried on day after day and month after month through the press and over the radio, by persons who have not troubled to acquaint themselves with the facts. I wish to lay the facts before the Senate, and I hope also before the country.

Let me say, Mr. President, that when I think of the letter which the Senator from Michigan read, my personal feeling is that the boy who wrote that letter, and millions of boys like him who are being called upon to carry the flag of the United States and the flags of the United Nations upon the battlefield, are not asking for anybody at home to tell them whether or not they shall make the sacrifice. They are acting upon their own patriotic determination. They are not counting the cost, whether the cost be in votes or in blood. Though I rise today as an acknowledged and proud member of the farm bloc to say that I think it would be a mistake to adopt the amendment sponsored by my friends, the Senator from Oklahoma [Mr. THOMAS], and the Senator from New Mexico [Mr. HATCH], I am doing so in the knowledge and with the feeling that the great majority of the Members of this body and of the House are as ready to do their duty, as they see it, as are the boys who are going abroad to fight.

In the letter which the junior Senator from Michigan [Mr. BROWN] has read, the young man said—I made note of the words as the Senator from Michigan read them—that Congress is today being called upon to do something which it should have done long since.

Ah, Mr. President, that is the impression which was created throughout the country; that is the message which the editorial writers and the radio commentators have sent to the people of the country. However, the truth is that Congress would have done this job last January if it had not been for the fact that the administration said "No." When Mr. Henderson appeared before the Banking and Currency Committee in August 1941, he was asked whether wages should be brought under control in legislation undertaking to control in-

flation. He said "No." Mr. President, I say that plain speech is the order of the day.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. BARKLEY. In all fairness I think it should be said that there was no visible sentiment in the Committee on Banking and Currency of either House which found its expression in any amendment giving to the Price Administrator the power to put ceilings on wages.

Mr. O'MAHONEY. I think the Senator is correct.

Mr. BARKLEY. Not only that, but the Senator has emphasized the fact that the administration said "No." That is not quite accurate.

Mr. O'MAHONEY. It did not say "No" publicly; that is correct.

Mr. BARKLEY. Mr. Henderson did state what the Senator has said. However, without regard to party, without regard to farm bloc, business bloc, or any other bloc, it was generally recognized at that time—the committees may have been mistaken and the Congress may have been mistaken—that there was no human being wise enough to put a ceiling upon all the wages earned by 50,000,000 wage earners in the United States. Before the committee came Mr. Herbert Hoover, former President of the United States, who could not be described as an enthusiast about labor; but as an administrator, both as President and as Food Administrator during the war, in giving the committee the benefit of his experience, he made the most emphatic statement and argument against the inclusion of wage ceilings, on the ground that it would be impracticable and unworkable, and that no human mind could work out such a provision.

So it was not altogether the administration as such which kept wage control out of the bill; and in fairness to everyone, I think that should be stated.

Mr. O'MAHONEY. Mr. President, I shall be glad to withdraw the word "administration," in order to be perfectly fair. I know that the members of the Committee on Banking and Currency were of the opinion that it would be practically impossible to control wages; but I know that Members of the Senate said on this floor when the bill was under consideration, "Unless you control wages, the bill will not work."

Mr. BARKLEY. It is undoubtedly true that Members of the Senate did take that position; and no doubt it is comforting to them to be able to say that they have been vindicated. I am perfectly willing to accord to those Senators such vindication. However, Congress as such did not see fit to include wages. As a matter of fact, I think that is water which has gone over the dam or under the dam, whichever way it went. [Laughter.] We are now faced with a condition, not a theory.

Mr. O'MAHONEY. The Senator is quite correct. I am ready to acknowledge that; and by the time I finish the explanation I think I shall make clear what I have in mind.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to my good friend the Senator from New Mexico.

Mr. HATCH. The very able Senator from Wyoming is making his argument, as he says, against the amendment which the Senator from Oklahoma [Mr. THOMAS] has offered. I desire to commend him for always being absolutely fair, and for the frank and emphatic way in which he points out conditions as they actually exist.

A moment ago he said that in the Congress there were Senators who said that unless wages were included in the price-control bill, along with farm commodities, in effect we would have no Price Control Act.

Mr. O'MAHONEY. Exactly.

Mr. HATCH. In the Congress in January of this year that sentiment did exist, to some extent at least. Is it not also true that throughout the entire Nation, from that time to this time, the prevailing sentiment has been that in order to have any effective price control, both those very essential elements must be included?

Mr. O'MAHONEY. There never has been any doubt at all about that in my mind. However, Mr. President, I do not want anyone to think that I do not comprehend the terrific task which the President of the United States has had to shoulder in handling the problem of wages.

The burden on the President is beyond imagination. It was his duty to bring all the people along with him. If it was his judgment that at that time he could not make organized labor understand that there should be a freezing of wages, I am not one who would question him or doubt his judgment. Nevertheless, this I do know, Mr. President, that when the bill was under consideration in committee, both in the House and, I think, also in the Senate—I am not a member of the committee—members of those committees propounded the question to Mr. Henderson, and always it was decided "We shall not deal with wages."

When the bill came to the floor, in what was perhaps an inadequate way, a way which may not have been wise, I endeavored to add to it an amendment which would tie together farm prices and industrial wages. I did that in the belief, which I expressed at that time, that if the amendment were agreed to it would be impossible for industrial wages to get out of line as they have since gotten out of line, and that we would have some kind of balance. I may have been wrong. I do not urge that point now.

Mr. ELLENDER. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I yield.

Mr. ELLENDER. In order to keep the record straight, let me ask whether it is not a fact that the Senate did agree to the amendment which was proposed by the distinguished Senator from Wyoming?

Mr. O'MAHONEY. By an overwhelming vote the amendment was agreed to by the Senate.

Mr. ELLENDER. But the amendment was rejected in conference, was it not?

Mr. O'MAHONEY. That is correct; it was rejected in conference.

Mr. President, at that time, and almost every day since then, the word has gone out through all the avenues of publicity that the responsibility for the failure to include wages lies upon the farm bloc, those Members of the House and of the Senate who insisted that, with no provision to control wages in the bill, no ceilings should be fixed upon agricultural products below certain levels—110 percent of parity; October 1, 1941; December 15, 1941; or the average prices in the period 1919 to 1929.

When the so-called "farm bloc," with the support of the entire Congress and the approval of the Executive, when his name was signed to the bill, fixed those levels, they were doing so for the purpose of preventing a continuing dislocation of agriculture and industry. They were doing so because they felt that if agricultural production were to be maintained it was necessary to make sure that prices which would bring the commodities into the market were maintained.

However, was that the story which went out to the country? Not at all, Mr. President. The story which went out to the country was that the farmers and their representatives, their organized representatives, their representatives on this floor, were guided merely by a petty, cheap, pilfering desire to obtain profit.

The Senator from Minnesota [Mr. SHIPSTEAD] a few moments ago demonstrated very clearly that during a generation the condition of agriculture has been consistently and constantly becoming worse. Now we have a debate as to whether the farmer should have some consideration for the labor which is paid upon the farm. O Mr. President, to my mind that argument is not debatable. Those who have urged that the costs of agriculture and labor be taken into consideration in fixing parity have right on their side; they have equity on their side; they have justice on their side, and no person can deny it. Least of all do I.

I think that only realistic considerations should be urged.

Mr. HATCH. Mr. President, will the Senator yield there?

Mr. O'MAHONEY. I yield.

Mr. HATCH. As one of those who has sponsored the amendment, let me say that if right and justice are not on our side I hope the amendment will be rejected.

Mr. O'MAHONEY. Mr. President, I know what animates the distinguished senior Senator from New Mexico. I know that in this country there is no person who can claim a more patriotic devotion to the interests and welfare of his country than can the senior Senator from New Mexico; and I, for one, resent with all the power I have the constant and continued affronts which have been offered to those who have seen fit to speak for agriculture, and the constant and continuous misrepresentation which has been of such a character, Mr. President, that it can be written on the wall and become apparent to all who care to read. I have the demonstration in my hand. Here [indicating] are the charts

presented to the Banking and Currency Committee by the Bureau of Labor Statistics. I did not draw these charts, Mr. President, the National Grange did not draw them, the American National Livestock Association did not draw them, nor did the Farm Bureau Federation, nor did any farm organization prepare these charts; they were prepared by the Bureau of Labor Statistics. Here [indicating] is a chart which shows the retail cost of all foods for 51 large cities. This is a chart which was sent out to the consumers of the country. Mr. President, night before last, as I listened on the radio, I heard a commentator talk about prices and discuss the "greedy farm bloc." I wrote down a sentence he used. "What this means," he said, in a hectic voice, "is higher prices for us." He was suggesting openly and blatantly to the consumers that the farm bloc was trying to increase the prices they have to pay for food.

Mr. President, let us see what the facts are with respect to the retail cost of all foods in the United States. The chart to which I now refer is on the basis of 1935 to 1939. In understanding these charts, prepared by the statisticians and economists, it is essential to remember that the all-important factor is the base which is selected. Choose the base, and you know how far you have got to run; put the base up or put the base down and a different result follows.

In determining the fluctuations of the retail prices of foods in the United States in 51 large cities the Bureau of Labor Statistics used the years 1935 to 1939 as the base, and that is line in black, labeled 100, which runs across the chart. All this graph means is that in 1918, 1919, and 1920, the retail cost of all foods in the 51 cities was about 183 as compared with 1935 to 1939. It means that in 1925 to 1929 the retail price was about 135 as compared with 1935 to 1939, and that today, in 1942, the retail price of foods on this basis is about 123. Observe the significance of the fluctuating on the chart. If, instead of 1935 to 1939, the statisticians who drew the chart had taken the level of 1925 to 1929, then, it is obvious that the retail cost of food today is below a hundred. What that means is simply that today the consumers in the United States are not paying as much for their food as they paid in the period from 1925 to 1929.

The Senator from Oklahoma [Mr. THOMAS] is absolutely correct when he says, "I do not see any inflation in a price that has not reached the levels of 1925 to 1929." Was anybody complaining about the high cost of food in those days? Not at all. Then why was the date 1935 to 1939 chosen as a base from which to make this computation? Because it was the low point in foods.

But the significant thing, Mr. President, is that in 1939 agricultural prices had taken another toboggan ride and had reached a level lower than at any time since 1932 or 1933. The farmer was suffering economic disaster again; a huge percentage of the farm population was living on less than \$500 a year; and

yet they choose 1939 as the basis on which to estimate the rise in the cost of living.

We are told that the cost of living has risen 12 percent since 1939. So be it. Though it has risen, let us say, 12 percent or 15 percent or 20 percent, it is still not so high as it was in the period from 1925 to 1929.

Someone may say, Mr. President, "That was the time when all prices were inflated; that was the period when we were moving wildly toward the destruction of 1929." Very well, Mr. President, if that suggestion is made, then I ask, How does it happen that the Bureau of Labor Statistics, in making its computation of factory pay rolls and employment, does not use the base of 1935 to 1939, but uses as a base the period 1923-25?

Mr. DOWNEY. Mr. President, before the able Senator passes from the chart he has been so ably demonstrating, and with such interest to us all, can he advise us as to what would be the effect upon that graph showing retail prices in 1940 if poultry products and meat which have been within the control of the Government were eliminated?

Mr. O'MAHONEY. Mr. President, I did not draw the graph; but this graph, of course, takes into consideration the prices of poultry and meat. I am glad the Senator from California asked the question, because it also leads me to point out a device of misrepresentation which has been used in describing this condition of the country. The statisticians took the controlled and uncontrolled prices. The country imagines that the uncontrolled prices are those upon which the farm bloc has prevented action and that uncontrolled prices are those exclusively upon which, because of the action of the farm organizations, the Office of Price Administration has had no power to fix prices. That, however, is not the case. In some instances, as in the instance of hogs and beef, the power was there but it was not exercised. It was not exercised because of inherent difficulties. I can understand why the Office of Price Administration did not exercise it because of the great difficulty of fixing a price upon live animals and providing and adhering to a standard; but, Mr. President, we cannot regulate this country by ukase; we must regulate it and this problem of economics by the cooperative action of all our people, by the united action of our people; and, more than anything else, by the free, untrammelled decision of Congress and the Executive with respect to these matters.

I point out upon the chart to which the Senator from California has just drawn my attention that if the base of 1925 to 1929 were used, as it is used in computing increased pay rolls, the 100 line would be at the point I now indicate; and not down at this point [indicating], and when the 100 line is at that point [indicating], it becomes clear that the prices of food to the consumer have not yet reached the level that was reached in those years before the date on which the graph is based.

What would be the case with respect to employment and pay rolls? Here I have a chart, not with 1939 regarded as the base, the period being 1923 to 1925, and the chart clearly shows that beginning in 1930, as we would expect, employment and pay rolls began to fall off, and took a terrible dip. Then, as a result of the legislation sponsored by the present administration, legislation in which—and I say this with pride—the Democratic Party in Congress and in the executive branch can take a great deal of pride, employment and pay rolls began to rise, and they continued to rise until 1937, when they took a dip, just as farm prices took a dip.

If we were to use as the standard of measurement of industrial pay rolls and employment the same one that is used to measure the standard of farm prices, we would find the line at the point I now indicate, almost 10 points below the line which is adopted, and that would mean that a chart which shows that industrial pay rolls have risen in July 1942 to 204.3, on the index of 1923 to 1925, would, if stated in the same standard that is used to crucify the farmer, be at least 219.3.

Mr. President, the Senator from Wisconsin [Mr. WILEY] asked me, in an aside, to indicate what the farm index is. In August 1942 it was about 123. If it were figured upon the basis of 1925 to 1929, as in the case of industrial wages and employment, it would now be about between 85 and 90, certainly not above 93.

Mr. President, the charts which have been submitted to us by the Bureau of Labor Statistics indicate to my mind one thing above all others—that up to date the consideration of price control has been weighed solely and exclusively by the standards of the consumers of the large cities, and no consideration whatever has been given to the farmer, to the farmer's needs, or to the country's need of production. Is that an idle matter?

Mr. President, a few days ago I sent word to the Secretary of Agriculture to learn from him what the Army ration is—what food we are giving to the boys in the Army and the Navy who are going to wage the fight for the United Nations. This is the weekly ration:

Six and a half pounds of meat; $3\frac{1}{2}$ pounds of milk; $1\frac{1}{2}$ pounds of evaporated milk; 1 pound of butter; 7 eggs; $5\frac{1}{2}$ pounds of bread and cereals; 5 pounds of potatoes; 5 pounds of fresh vegetables; $4\frac{1}{2}$ pounds of tomatoes and citrus fruits. There are other things on the diet list, of course, but I cite only these.

Assume the consumption of these products by an army of a million men. It means every week 6,500,000 pounds of meat; 3,500,000 pounds of milk; 1,500,000 pounds of evaporated milk; 1,000,000 pounds of butter; 5,500,000 pounds of bread and cereals; 5,000,000 pounds of potatoes; 5,000,000 pounds of fresh vegetables; and 4,500,000 pounds of tomatoes and citrus fruit.

Day before yesterday General Hershey, of the Selective Service, announced that we may expect an army of 10,000,000 men in 1943. Very well. Multiply the figures I have given by 10—6,500,000 pounds a

week for 1,000,000 men means exactly 65,000,000 pounds a week for 10,000,000 men—or General Marshall and Secretary Stimson are going to cut the ration. Where are we to get the meat? Are we to get the meat upon the basis of consulting only what the consumer pays in the 51 large cities? Are we to be guided solely by what the real wages of the men and women in industry are, or are we to be guided by considerations of what must be done to feed the boys who carry the flag?

There is no question about what the answer is to be. Is it a dangerous step toward inflation to say that we will have a system which will recognize the cost of production, not that it will be guided by it, but will recognize it? I do not think that follows at all.

Mr. President, if we are to be guided by the cost of production, we are merely making the effort to make it possible for the farmers and ranchers of America to produce. That is becoming a serious problem, because the men on the farms and on the ranches are going into industry and into the armed forces. More than 2,000,000 men have already been drawn from the farms and ranches of America. The farmer's son and the cowboy do not want to be deferred from the draft, although the production of meat and agricultural commodities in a total war is a part of the total war. So some of them volunteer, and others are drawn off by high wages.

A colonel in the Selective Service System, who recently made a survey of the conditions in the agricultural West, has reported to me his experience in California, for example, where he found that dairymen in that State have been compelled, when they could do so, to pay as much as \$230 a month for dairy labor. Wealthy dairymen, who are capable of paying competitive wages by drawing upon their reserves, can do that, but the little dairyman who has no reserve is going out of business.

Last week, or the week before, I was at home in Cheyenne. Fort Warren, where thousands of soldiers are being trained, lies upon the southern boundary of that city. There is a shortage of milk in Cheyenne. The civilian population of the city is not able to get the milk which it has been accustomed to receive. There is no complaint, because the milk is being received by the boys at Fort Warren. What I point out is that production is an essential war industry.

I wish to refer to another matter which was mentioned this morning by the junior Senator from Michigan [Mr. BROWN], whose eminent fairness in this and in all other matters is recognized, I am sure, by every Senator upon this floor. Never have I heard a single criticism of the Senator with respect to his presentation of any matter, or with respect to his treatment of the facts as he saw them, and his recognition of the independent judgment of his colleagues.

Mr. BROWN. I thank the Senator.

Mr. O'MAHONEY. The Senator said this morning that the second war powers bill—which was passed by the Senate when, by the action of the Committee on the Judiciary, I happened to be in charge

of the measure—gives the President of the United States the power to do this thing which we are now attempting to do by legislative enactment. Mr. President, I do not agree with that construction of the second war powers bill, and I feel that the record should be made perfectly clear as to why I do not agree with it.

Title III of the War Powers Act is entitled "Priorities Power." It undertook to amend the act of June 28, 1940, which was entitled "An act to expedite national defense, and for other purposes." It was an act which gave the Secretary of the Navy certain powers with respect to making contracts. It deals with the delivery of materials to which priority may be assigned, and so forth, and then at the conclusion of paragraph (2) of section 2 (a) this sentence appears:

Whenever the President is satisfied with the fulfillment of requirements for any material or of any facility for defense, or for private account, or for export, the President may allocate such material or facility in such manner, upon such conditions, and to such extent, as he shall deem necessary or appropriate in the public interest and to promote national defense.

That is merely a delegation of the power to make allocations of raw material. It has nothing to do with fixing the levels of wages or prices or salaries. I think it would be a great mistake to regard that law as conferring authority for independent action by the Executive. But let me say, I have no doubt whatsoever that the country in time of war will grant the utmost latitude to the Chief Executive of the Nation. When the President finds it necessary to preserve the Nation's life he will act and he will be sustained in his action. Let it not be said, however, that this law gives such right. The right proceeds inherently from the fundamental law of human nature—the right of self-defense.

Mr. WILEY. Mr. President—

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Wyoming yield to the Senator from Wisconsin?

Mr. O'MAHONEY. I yield.

Mr. WILEY. I think the distinguished Senator has anticipated, possibly, the question and has made the answer. I understood the Senator from Michigan [Mr. BROWN] to argue that the language which the distinguished Senator just quoted gave the President power in relation to the fixation of prices of commodities, but did not give him the power in relation to wages. My question is, Does the distinguished Senator claim that the President in wartime, in a time of great emergency, has the constitutional power to regulate wages and fix prices?

Mr. O'MAHONEY. Mr. President, I will say in answer to the Senator that a very great and distinguished constitutional lawyer who graced this body for many years, the late Senator Borah, when discussing some of the problems relating to farm prices and social relief during the early days of this administration, said in answer to the argument which was made that certain action

would not be constitutional, "You cannot eat the Constitution."

I say, Mr. President, you cannot fight a war with the Constitution. You cannot depend upon a technical argument to win a war. Action, not deliberation, is what is needed in time of war. And so a democratic people will rise in its might and congeal in one united whole to bring about the united organization which is necessary to win the war. That Mr. President, is precisely the reason I am on the floor today pleading that there shall not be in this hour of national peril a constitutional conflict between the Congress and the President.

I say to you, Senators of the United States, though justice and equity and right are upon the side of those who say the cost of farm labor must be taken into consideration, this is no time to stand upon that right. This is the time for statesmen to say, "We will make a concession in order that we may achieve unity."

Oh, we must not forget that from the radio in Berlin for months on end there came the declaration:

Democracies cannot agree. Democracies will be torn asunder. Democracies will be guided by selfish considerations, and one group will fight another group; labor will fight agriculture and agriculture will fight labor. The Congress will say, "This is my prerogative." The President will say, "I will run the war."

And so Herr Hitler would rejoice if we should present the spectacle now of tearing ourselves asunder upon a matter upon which, of course, our feelings have been stirred. I know they have been stirred, because I know how I resent the charges which have been carried over the radio by some of the spokesmen of those who seek to misrepresent the farmer and the farm bloc—men without information, who take what is handed to them in a release and then disseminate it throughout the country and refer to "the greedy farm bloc." Night after night it goes on. Then they make their appeal: "This means increased cost to us." They try to make the country believe that that is patriotism.

Mr. President, I say we should not undertake to endanger the unity of the United States by a controversy over this matter, because, as I see it, it is a psychological controversy and not a factual one. There is little now left to this debate except the satisfaction of saying, "We compelled you to do it." Why do I say that?

I repeat what I said in the beginning; and I am talking now to the Senators who represent the farm States. When the price-control bill was here in January some of us said, "This will not work because wages are not controlled." All during the months which have passed since then, wages were not controlled. The condition was getting out of hand. Why? Because from the farms and the ranches, to shipyards, to defense plants, to camps, and one place or another, went hundreds and thousands of workers who were drawn away by wages which were paid under Government contract. The power which drew the contract could have held down the wages. But it was not done. I am not here to point out

mistakes, Mr. President. That is not the point. I am here merely indulging in some plain talk to point out the facts as I see them, and to say why I believe we should not now risk a controversy between two great branches of the Government.

Now, for the first time we have a measure before us which does regulate wages. The very thing for which we have been contending is here. Are we going to risk that great gain, a great gain, which, Mr. President, I am convinced will be supported by organized labor, as well as by all the farmers of the country? I say to the Senate that the people of the United States, out in the quiet places, beyond the mountains and the rivers, who never come to Washington, have only one object, and that is to win the war. They have no patience with technical debates between the executive and the legislative branch. They are not concerned about discussions of constitutional power or constitutional authority. They want to see the manpower of America welded into one great instrument to preserve fundamental human liberty, and that is what we are fighting for. Now, are we going to endanger that because we say that in this measure, which for the first time undertakes to stop inflationary rises of wages, a provision is not made for a modification of the parity formula?

Mr. President, I think it is unnecessary, unnecessary because of an amendment which was offered to the committee and accepted, and which is now on page 4 of the joint resolution. It is the amendment which begins in line 2. Let us read that amendment. It is a proviso at the end of section 3. Section 3, by the way, begins with this statement, and let us not overlook it:

No maximum price shall be established or maintained for any agricultural commodity under authority of this joint resolution or otherwise below a price—

And then the language continues. Here is a directive to the President—to use the new word which has come into such universal usage among the bureaus—here is a directive to the President which says, "You shall not decrease the prices of agricultural commodities below these levels." It does not say, "You may not allow them to increase." They may be allowed to increase, and as conditions develop I am confident that if the necessity should arise increases would be permitted. Already that has happened. For example, the Office of Price Administration has permitted the price of hogs to rise beyond the ceiling which was fixed by Congress in the law. So the appearance here of minimum ceilings is no guaranty that the farmer may not receive a better price if that should become necessary. To make that positively sure, this amendment was drawn. Let us read it:

Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case in which it appears that such modification is necessary to increase the production of such commodity for war purposes, or in which it is

satisfactorily shown that by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities.

When I used the phrase "will result in gross inequities" I used a phrase which had been used by the sponsors of the joint resolution. That phrase was merely intended to indicate that increases could be allowed when it appeared that the maximum prices established were not sufficient to enable the producers to meet the increased cost.

Mr. President, it seems perfectly clear to me that that provision meets every question which the farmer can ask. I know that the impression has gone forth, as a result of the constant barrage of the past 9 months, that the farmer is greedy, that he cannot be satisfied, that he is seeking special privilege, and all that.

It may be said that the defeat of the Thomas-Hatch amendment would be notice to the farmers of the country that the Congress and the President have no intention of recognizing the rising cost of labor. Mr. President, that is answered by the language of the amendment which I have read, because it is a mandatory amendment. It says that if it is necessary to meet the production required by the war, or if it is necessary to enable the farmer to produce, the maximum ceilings shall be raised.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Wisconsin?

Mr. O'MAHONEY. I yield.

Mr. WILEY. If that be the case, why does the Senator oppose the Thomas amendment, and why does the President oppose it?

Mr. O'MAHONEY. For this reason: The limits which are now placed in the joint resolution are parity, or the highest price which has been reached by September 15. When we wrote the joint resolution in January and asked for 110 percent of parity we did so for reasons which are well known—particularly well known to the Senator from Wisconsin. The situation with which we are now confronted is that for all agricultural commodities the general price level is now slightly above parity. In other words, we have attained practically the point which we sought when the Price Control Act was under consideration.

Mr. WILEY. The Senator does not mean that the prices of all agricultural products are above parity, does he?

Mr. O'MAHONEY. No; I said that we have practically attained that point. As I pointed out the other day, of 27 major agricultural products, the prices of 14 are still below parity.

I invite the Senator's attention to the chart at the back of the Chamber. That chart, prepared by the Bureau of Agricultural Economics, shows the wholesale prices of agricultural products and non-agricultural products from 1798 down to date. I had it brought up to the present time by the Bureau of Agricultural Economics for the purposes of this address.

The dotted line represents the variation of nonagricultural products, and the

solid line represents the variation of agricultural products. Each of these "mountains" represents a war. There is one for the War of 1812, one for the War of 1861 to 1865, and one for the World War.

Observe that after every one of those wars the increase was followed by a sharp, perilous, and disastrous decline, a decline which in every instance brought in its wake disaster and suffering, and all the ills which the human mind can imagine.

Observe that in the early years there was a wide variation between agricultural prices and nonagricultural prices. This chart, like the charts of all economists, is based upon an arbitrary date. In this case the period from 1910 to 1914 is used as a base. So the line representing 100 merely represents the prices of agricultural commodities and nonagricultural commodities for that particular period, and the variations from the line indicate deviations and fluctuations. Those are all in terms of percentages.

After the World War came the terrible deflation period of 1920. The Senator from Oklahoma [Mr. THOMAS] has frequently called attention to the fact that Mr. Harding made his campaign for the Presidency that year upon a platform which called for courageous deflation of the currency. He got it. Prices for both agricultural commodities and nonagricultural commodities took a toboggan slide of almost 100 points; but that is beside the point.

In the period between 1925 and 1929 things were straightened out. That was the era of "Coolidge prosperity." Everybody was satisfied. Nobody was complaining about the cost of living. The farmers were getting along a little better than they had been. They had not yet been brought out of the bottom of the pit into which they had been thrown, but they were better satisfied.

Then came the crash of 1929, and agricultural prices went down from about 150 to below 75. Nonagricultural prices did not decline to such a great extent. The lowest point which they reached was somewhat above 100, because nonagricultural industry was so organized that it could protect itself better than could the farmer. So nonagricultural prices never reached as low a point as did agricultural prices.

Then came the Roosevelt administration. By legislation which was supported by both Republicans and Democrats we increased and improved the standard of agriculture and of labor. No Member of Congress who voted for those laws can fail now to look back with satisfaction and say, "I participated in that effort. We brought agriculture, industry, labor, and the professions out of the depths."

So prices rose until about 1937, when they had reached about 125. Was anybody saying then that agricultural prices were out of line? Was anybody complaining about wages? Not at all.

Observe what happened. I ask Senators to look carefully at the chart. Following 1937 and 1938 there came a sharp decline in the prices of agricultural com-

modities. They dropped from 125 to about 96. However, the prices of nonagricultural commodities dropped only about 2 points. In 1939 they were about 28 points above agricultural prices. As I pointed out at the beginning of this discussion, all our comparisons of the cost of living are based upon the low prices to which agricultural products fell, and not upon the high prices which were maintained for nonagricultural commodities.

Answering the question of the Senator from Wisconsin, I ask him to observe that as a result of this war prices again began to go up; and in 1941 agricultural prices, in relation to industrial prices, were almost back to equality. They are standing together upon the chart.

So I say, Mr. President, that when we look back upon the declivities which have followed the rises during the previous wars, we must realize that this is no time for us to debate a new formula for parity. When the present formula was drawn it was drawn by the best minds studying the agricultural problem. They said, "We shall measure what the farmer gets by the cost of the things which he must buy."

The pending joint resolution will control the prices of the things which the farmer must buy. I do not surrender for a moment my contention that the cost of labor on the farms should be taken into consideration in fixing parity; but in the realistic situation confronting us, and in the light of the amendment which has been accepted by the Committee on Banking and Currency, I think that those Senators who, like myself, feel that agriculture has been an industry which has not as yet received full benefits should be willing for the purpose of maintaining the unity of the Nation in this great hour of crisis to forego, until more time and attention can be given to it, any attempt to rewrite the formula of parity.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WILEY. I believe I have listened to every word of the Senator's argument. I think he devoted about half his speech to the one point, not parity, or lowering parity, or raising parity, but that the Nation needs, above everything else, an increased production of agricultural commodities. Everything said on this floor in the last 4 days has been to the point that the consumers of the country are in danger because the productivity of the country is decreasing tremendously, that beef cattle will not be available next year for beef, as the Senator himself has said, and that dairy cattle are being slaughtered by the tens of thousands.

It seems to me that that is the crux of the whole matter. If the Senator can demonstrate that acceptance of the joint resolution in the way he wants it accepted would give the country the production it needs, it seems to me he will have accomplished something. However, in his argument he has missed that point entirely, it seems to me. I should like to have him speak upon that point.

Mr. O'MAHONEY. I thank the Senator. I said that I feel that production will be taken care of because of the pro-

vision contained in the amendment which has been accepted:

Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case in which it appears that such modification is necessary to increase the production of such commodity for war purposes.

Mr. WILEY. Does the Senator agree that it is necessary?

Mr. O'MAHONEY. Oh, certainly it is necessary; and I say that the language just now read is a positive direction; and I feel that the Office of Price Administration realizes it to be so. The spokesmen for that Office have told me within the last few days that they do recognize the necessity of using prices as an instrument for promoting production.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. TYDINGS. Let us take a concrete case. Suppose that in the next 6 months or year the cost of labor on the farm were to rise to such a point that the parity formula previously in existence would be thrown out of scale, that the farmer would have the element of expense elongated, so to speak, beyond the original conception of parity, when agricultural wages were lower. If that were so and if it could be proven that a particular commodity, at the price fixed by the price ceiling, was selling so as not to give the farmer what might be called a reasonable profit or any profit at all, under the terms of the amendment it would become mandatory upon the Office of Price Administration to alter the ceiling so as to take into consideration the increased labor cost which occasioned that dislocation.

Mr. O'MAHONEY. Precisely. That was the exact purpose of the amendment.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. VANDENBERG. It seems to me that the Senator cannot overemphasize what he has just now asked, because a further misunderstanding, let us say, will reach the country if the Thomas amendment is rejected. Then the country would be misled to believe that the Senate had turned its back upon the theory that the farmer is entitled to recognition for his higher labor costs; whereas the language in the amendment which the Senator from Wyoming has just now read, and for the text of which he is responsible, specifically, consistently, and in a mandatory fashion requires that the farmer's increased cost of labor shall be recognized in the price controls.

So when I vote against the Thomas amendment, as I intend to do because I do not believe this is any time to rewrite the parity formula, I shall not be voting against a full recognition of the farmer's right to compensation for increased costs of labor; but, on the contrary, I shall be voting for a measure which already provides that he must be compensated.

I do not think the Senator can over-emphasize that point.

Mr. O'MAHONEY. Mr. President, I am very glad the Senator from Michigan interrupted me in order to make that statement. He has done it eloquently, forcefully, and factually. What he says is exactly the case.

The pending measure takes care of the farmer. For the first time it contains a provision which makes it mandatory on the Office of Price Administration to modify agricultural commodity prices upward, if the necessity arises. Let there be no mistake about that.

Furthermore, Mr. President, in the face of this mandatory direction let us not forget that the responsibility for production will lie wholly upon those who will administer the act. The responsibility will not be upon the Congress. However, if we insist upon writing into the joint resolution a directive to rewrite the parity formula, without giving the specifications upon which it shall be rewritten, the responsibility for failure will be upon us. As I said in the beginning, since war is a matter of action, not of deliberation, let us not now by agreeing to the Thomas-Hatch amendment undertake to compel the Bureau of Agricultural Economics and the Department of Agriculture to begin to debate what the formula shall be, how much weight shall be given to labor, and what labor, and how. Let us act. The hour calls for the limitation of prices. The hour calls for the prevention by legislation, not by Executive action, of the continued upward rise of the cost of living.

Mr. President, I hope that the Congress of the United States will do that thing.

Mr. BARKLEY. Mr. President, I wish to propound a parliamentary inquiry. As I understand the parliamentary situation, it is this: The committee amendment now under consideration, to which the Thomas amendment is offered as an amendment, is regarded as an amendment in the first degree, and the Thomas amendment is an amendment in the second degree. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. BARKLEY. Therefore, as I understand the situation, no amendment to the Thomas amendment is in order at this time, and no substitute for the Thomas amendment would be in order at this time; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. BARKLEY. So that no other proposal, either as an amendment, as a substitute for the Thomas amendment, or as an amendment to the text of the committee amendment, would be in order until the Thomas amendment has been disposed of. Is that the parliamentary situation?

The PRESIDING OFFICER. That is correct.

Mr. BARKLEY. Then I shall make a request for unanimous consent; but before doing so I wish to state that an honest and sincere effort has been made to reach a fair understanding among all those interested in the question regarding language which would be reasonably

satisfactory to all parties involved, without regard to party, without regard to membership on the committee, or otherwise. Looking to that end, while we realized we could not call into conference every Member of the Senate, we have held various conferences between members of the committee and other Senators interested in the pending legislation, including the Senator from Oklahoma [Mr. THOMAS], the Senator from New Mexico [Mr. HATCH], the Senator from Wyoming [Mr. O'MAHONEY], who proposed in effect, if not literally, the language now in the committee amendment; the Senator from New York [Mr. WAGNER], the Senator from Michigan [Mr. BROWN], the Senator from Kansas [Mr. REED], the Senator from Ohio [Mr. TAFT], the Senator from Oregon, the distinguished minority leader [Mr. McNARY], who is always cooperative and constructive, and whose assistance I always cherish and appreciate; and the Senator from Maryland [Mr. TYDINGS], who, along with the Senator from Kansas [Mr. REED], yesterday suggested language which would go a considerable distance in ironing out the situation.

In an effort to work out a provision that might be satisfactory, we have been in conference, and language has been drawn which I will not say is satisfactory to all or any or most of those who have been in the conference, but which is acceptable to many of them, including the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Michigan [Mr. BROWN], the Senator from Maryland [Mr. TYDINGS]. We have among us prepared a substitute for the committee amendment on page 4, beginning with line 2, and with that substitute as a basis, in order that the Senate may have an opportunity to vote upon it before it is required to vote on the Thomas amendment, I ask unanimous consent that the Thomas amendment be temporarily laid aside without prejudice, which means that the yea-and-nay vote which has already been ordered upon it would not be affected, in order that the Senator from Maryland [Mr. TYDINGS] and the Senator from Kansas [Mr. REED] may join in offering an amendment, by way of a substitute, to the committee amendment as it appears on page 4.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. THOMAS of Oklahoma. Mr. President, reserving the right to object, let me say that the amendment which is now before the Senate is here at the order of one of the standing committees of the Senate. The Committee on Agriculture and Forestry, by a vote of 14 to 1, ordered this amendment submitted. Other members of the committee, who were not present, would have increased that majority to at least 16 to 1.

Mr. President, this amendment is before the Senate at the request of the great farm organizations of this Nation. The Committee on Agriculture and Forestry, and these great farm organizations, represent 30,000,000 citizens of this Republic. These 30,000,000 embrace 22 percent of the total population of Amer-

ica. Twenty-two percent of our population is receiving less than 10 percent of the national income. That is not satisfactory.

Mr. President, the Congress has been in recess now, virtually, for about 6 weeks. The Members of the House of Representatives have been to their homes; many Senators have been to their homes; the Members of the House have just returned from their districts, and on yesterday in that body the amendment now pending before the Senate was approved by a most substantial majority. With that amendment added to the bill the bill itself, with the amendment, was approved by a vote of 3 to 1 of the membership of the House, embracing both political parties, and at a time when the voices and demands of their constituents were still ringing in their ears.

Mr. President, 22 percent of the people of America are entitled to have a vote upon this amendment. It is now in a position where a vote may be had, and most certainly, as a member of the Senate, I shall object to the request made by the Senator from Kentucky.

The PRESIDING OFFICER. Objection is heard.

Mr. BARKLEY. Mr. President, the Senator from Oklahoma is, of course, within his rights in objecting to the request for unanimous consent which I have submitted, though I cannot refrain from expressing my regret that he is unwilling that this proposal be voted upon in advance of a vote upon his amendment. I feel it my duty, however, to the Senate to say that, following a vote upon his amendment, regardless of the result of the vote, the Senator from Maryland and the Senator from Kansas will then offer as a substitute for the committee amendment, whether it is amended by the Thomas amendment or not, the amendment which I send to the desk and ask to have read for the information of the Senate and the country.

The PRESIDING OFFICER. The clerk will read as requested.

The CHIEF CLERK. On page 4, line 2, it is proposed to strike out all after the word "inequities" through the word "inequities" in line 13, as amended, and insert in lieu thereof the following: "Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing."

Mr. HATCH. Mr. President, there is some language in the proposal that I have not heard before.

Mr. BARKLEY. That is an amendment already agreed to by the Senate yesterday on motion of the Senator from Tennessee [Mr. McKELLAR], and must be included in any substitute for the committee amendment as amended.

I may say, in explanation, that the proposed substitute follows practically the language of the committee amendment down to the word "purposes", in line 9. The changes are made from there on, but it is necessary to have a clean page in which the substitute may be fully set out for the entire committee amendment. I shall not discuss it now but will at a later time.

Mr. CHAVEZ. Mr. President, I shall occupy the time of the Senate very briefly, but I desire to state my position in a few words.

It appears to me that the Senators who have discussed the pending measure have entirely missed the purpose of the original Price Control Act or what is intended to be accomplished by the pending measure. As I read the pending joint resolution, I find it provides—

That in order to aid in the effective prosecution of the war, the President is authorized and directed—

to do certain things.

Under ordinary conditions and in normal times we could, with propriety, discuss new formulas of parity prices, but to do it at this time would be inconsistent with the purpose behind the pending joint resolution which, I repeat, is "to aid in the effective prosecution of the war." Times are not normal. We are at war, a war that can only be won by the sacrifice of all, by industry, by the farmer, by labor, and by every household and home and citizen in the country. We will not win this war if we proceed on the assumption that this war means profits to anyone. When we get over the idea of profits in connection with the war, this body will do something "to aid in the effective prosecution of the war."

I intend to vote against the Thomas-Hatch amendment and for the joint resolution as reported by the Senator from Michigan [Mr. BROWN].

Mr. SMITH. Mr. President, I have been amazed at the amount of talk in the opposition to the Thomas amendment. As I see it, the Thomas amendment simply provides that agricultural labor shall be considered in the price of agricultural products. It is said that the parity formula must not be changed. When that formula was first promulgated we were at peace and the difference in the relation between agricultural labor and industrial labor was not so emphasized as it is now. This amendment simply provides that—

For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

It was stated here today by the Senator from Michigan that if we adopt the Thomas amendment it will inevitably lead to a conflict between the Congress and the President. If the Senator's statement is accurate, it is tantamount to telling us we might just as well go

home, that if we do not by legislative act adopt the action suggested, the President will. The President said that himself, and the Senator proceeded to read statutes to back up his statement.

I resent the implication in the Senator's speech that we who are in favor of this very fair proposal have been seduced by the farm leaders. I would far rather follow some of them than some of those who call themselves leaders.

With every other Member of this body, I want to see the Allied Nations win the war, but I do not desire to have any group of men punished by an injustice and an inequity when they are endeavoring to produce the wherewith to prosecute the war. There is not a Senator on this floor who does not know that the Thomas amendment is fair and just and equitable, an amendment providing that the farmer be allowed to calculate farm labor in his costs.

Mr. President, I resent the implication in the speech of the Senator from Michigan, wherein he set out to prove that we were nothing but a body acting at the will of the Chief Executive, that we legislate according to his dictation, or not legislate at all. Two hundred and eighty-four Members of the House of Representatives went on record as favoring the amendment. I know that the farmers are not considered a noticeable body in the eyes of the great powers that be. They are disorganized; they are individualists.

Among the speeches to which I have listened today was one by the Senator from Wyoming, which pleased me greatly, until he got to the end, when he kicked over everything he had said by stating that although so many inequities had been visited upon the farmer, he was in favor of visiting one more on him. I like to hear a logical speech, one which appeals to my sense of reason, but that speech was the greatest disappointment I have suffered so far during the debate; and I have suffered much.

I ask the Members of this body, What is back of the unalterable opposition of the President to this very simple amendment? No one can convince me that his opposition to the amendment is all that is inspiring the opposition to it here. If we fail to put the amendment on the joint resolution, we will find out what the cause of the opposition is, I have a suspicion.

To think that the President would say, "I am unalterably opposed to the inclusion of this amendment because it may raise the cost of living 12 percent." No one said anything about the cost of living in connection with other workers, but when it comes to the farmer a different situation prevails. I do not know the reason behind the opposition. I want to say for the record that we, as a legislative body, are not responsible for the inevitable conflict. We never said to the President, "No matter what you think about it, we are going to do as we please." It is our constitutional privilege to do as we please. I would rather take the opinion of 284 Members of the House of Representatives and a majority of this body than the opinion of gentlemen who have been laboring, I presume, to get

the baptism of the Chief Executive as the election draws near. I have a suspicion that some of their zeal is inspired by their desire to warm the leather of the seats in the Senate Chamber and not to do justice to the people of the country. I have been a Member of the Senate for 33 years and 9 months, and I have never known this body to degenerate or descend to such levels as we have now witnessed. The amendment before us merely amounts to saying to the farmer, "You may include the cost of your labor in your prices." Who can object to that, and why should that result in an inevitable conflict between the power at the other end of the Avenue and the power here?

What is our duty? Our duty is to legislate as we think is right and proper, regardless of vetoes. The President has the constitutional right to veto any measure which is passed by the Congress. We have the constitutional right to legislate, and if we do not think the President's veto is proper we can pass a bill over his veto.

I am not awed by any of the gentlemen who issue certain orders.

There is the gas rationing. We are told there is a scarcity of gas; that there is just a little trickle. And rubber—they have picked out 17 States and said, "You must conserve gas in order to conserve rubber," but the other States can use all the gas they want or can get.

I do not care to go into the details of this subject matter and present charts concerning what was done in past wars. I am standing upon the equity and righteousness of giving to those upon whom we are dependent for food and for the raw materials out of which the major part of our clothing is made absolute justice in this hectic time—a square deal. Not a new deal. God help them if they get a new deal in opposition to a square deal or an honest deal. The people are getting fed up on being gerrymandered about at the will of certain appointees.

We are not any more than a mere speck—we are not even that—in the legislative economy of the country. We are scared to death of an Executive order, whether legal or otherwise. I think it is high time for Congress to assert itself. The House has shown a splendid spirit. It is high time for the Senate to express its opinion. What are we here for? To follow Executive orders? No; but to provide the bases for those orders.

I have never been able to understand why a great furor should be raised about saying to the farmers, "You are entitled to have incorporated into your prices the wages you pay."

Compromises have been offered, but the consent of the "miserable," "detestable," "greedy," "unpatriotic" farm bloc could not be obtained! Why, we ought to be kicked out of America. Farm bloc! Nothing has been said about a wage bloc. Nothing has been said about other lobbyists. However, we have witnessed the farm bloc, members of the great farm organizations, held up in the body of the Senate to ridicule and charged with being greedy and grasping when attempting to secure for the farmers prices which would include what they have been compelled

to pay for labor. It is boiled down to that. That is all there is to the amendment under consideration. It may upset the parity price. The opponents of the amendment have said, "You asked for 110 percent." The suggestion of 110 percent did not come from the Senate or the House.

That was sent here by members of the administration, and anyone analyzing it will see that it is perfectly fair. Now they say, "If you include this amendment the farmers will have more than 110 percent, there will be an increase in the cost of living of 12 percent."

It makes no difference now, Mr. President, whether it is increased 200 percent. I am here to do my full duty to everyone, as I see it. Those who vote against this amendment vote against their innate sense of honesty and equity. But let us put in an amendment so that when it is administered the farmer will get a swift kick in his pants!

No man has said here that the Hatch-Thomas amendment is not fair, just, and equitable. It is said wages have risen. Farm wage earners have almost disappeared, and I wanted to say a few words in behalf of the farm organizations, who come direct from the farmers themselves. Many of us sit down in the Senate restaurant each day and fill ourselves with the products of the farm, and then come to the floor and "cuss" the source from which they came. If I felt about the farmers as some Senators do, I would not go into the Senate restaurant. I would eat what I produce, and be independent.

Mr. President, I hope the proponents of the Thomas amendment will stand out against any compromise. Since the yeas and nays have been ordered on it, let us vote on the Thomas amendment.

Mr. President, every one of us knows why the Senate has recessed from day to day. It has been to try to get recruits against the Thomas amendment. Let us know where we stand. Let us be men and not a lot of childish politicians running around trying to induce this Member and that Member and the other Member to vote a certain way.

Mr. President, I hope we shall have a vote on the Thomas amendment, and I hope those who are denouncing the farm bloc will meet each Member of it personally and tell him that he is an "unpatriotic dog."

Mr. HATCH. Mr. President, may I inquire of the majority leader, the Senator from Kentucky [Mr. BARKLEY], what his purpose is with respect to adjourning or recessing? I had wanted to speak on the amendment, but as a matter of fact I have a cold and am hoarse.

Mr. BARKLEY. Mr. President, it is obvious that we cannot vote this afternoon. If the Senator from New Mexico is next on the list to address the Senate—

Mr. HATCH. I do not know about the list. That is the reason I rose now to inquire. I was hopeful that after I had been recognized and obtained the floor I should have an understanding that I could proceed when the Senate reconvenes tomorrow.

Mr. BARKLEY. Mr. President, has the Senator from New Mexico been recognized?

The PRESIDING OFFICER. Yes; the Senator from New Mexico has been recognized.

Mr. HATCH. I now yield to the Senator from Kentucky.

Mr. BARKLEY. Because of his cold the Senator feels he would not like to proceed now?

Mr. HATCH. I should rather not proceed now.

Mr. BARKLEY. Then it will be entirely agreeable to me, under the circumstances, for the Senate to recess until tomorrow.

Mr. HATCH. That will be entirely agreeable to me, Mr. President, with the understanding that I shall be recognized tomorrow. I make that request.

Mr. BARKLEY. That is agreeable to me.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico? The Chair hears none, and it is so ordered.

EMERGENCY PRICE CONTROL AND PREVENTION OF INFLATION

The PRESIDING OFFICER (Mr. BUNKER in the chair) laid before the Senate the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, which was read twice by its title.

Mr. BARKLEY. I move that the bill lie on the table.

The motion was agreed to.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Sundry officers for appointment and promotion for temporary service in the Navy.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER (Mr. BUNKER in the chair). If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

Mr. BARKLEY. I ask that the President be immediately notified of the nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 28 minutes p. m.) the Senate took a recess until tomorrow, Friday, September 25, 1942, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 24 (legislative day of September 21), 1942:

POSTMASTERS

ALABAMA

Lyman W. Ramsey, Grand Bay.
Lorenzo D. McCrary, Prattville.

CALIFORNIA

Anthony J. Foster, Hayward.
Phillip J. Dougherty, Monterey.
Maude Dawson Shea, Redondo Beach.
Grace E. Patterson, Samoa.
Leon L. Dwight, San Pedro.
Richard T. Ambrose, Santa Barbara.
Robert B. Montgomery, Sequoia National Park.

Harold B. Lull, South Gate.
Lloyd L. Long, Veterans Home.
Harry Bridgewater, Watsonville.
Charles A. Graf, Winters.

PENNSYLVANIA

Harry R. Tomlinson, Andalusia.
James P. Bryan, Beaver.
Francis P. Kelly, Carbondale.
Alice E. Shoemaker, Fayetteville.
Walter C. Blessing, Hellam.
Emery C. Mahaffey, Mahaffey.
Emily V. Hornsher, North Hills.
Dora Cowen, Roscoe.
Joseph R. Ganly, Tower City.

RHODE ISLAND

Grace B. Almy, Little Compton.

House of Representatives

THURSDAY, SEPTEMBER 24, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven, whose nature is to have mercy and forgive, we pray Thee to hear our humble prayer. Grant that we may seek Thy fellowship and the good will of all men. Give the reality of Thy blessing to all lonely people and to the infirm, to those far from home and among strangers that they may feel the helpful atmosphere of true brotherhood. We praise Thee that we are not in a finished world, that Thou wilt, through the stir of Thy inner might, make old things new, the little things big, and inspire the temple of the soul to arise without the sound of a hammer and fill it with the tides of Thy holy presence.

Oh, eternal Light, shine in our hearts and if our understanding be darkened, deepen our faith and allow not suspicion nor criticism to quiver on any brow. Let every peril arouse in us a beckoning challenge to unity and to the determined performance of duty until our people shall not look back, but move forward in unbroken ranks; do Thou direct us in all our ways until all jarring discords are caught up into the symphony of a rhythmic flow of one patriotic purpose. The Lord God, bless our America forever and may the Master, whom the eternities adore, be our inspiration for all time and Thine shall be the glory forever. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6196. An act to amend the Canal Zone Code in relation to the control of marijuana.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2655. An act to amend the Judicial Code to authorize the Chief Justice of the United States to assign circuit judges to temporary duty in circuits other than their own; and

S. 2725. An act to increase by \$600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 5503) entitled "An act to authorize the Attorney General to stipulate to the exclusion of certain property from condemnation proceedings," dis-

agreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. O'MAHONEY, and Mr. NORRIS to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2670. An act to amend section 61 of the National Defense Act of June 3, 1916, as amended, for the purpose of providing State and Territorial military forces with such arms, ammunition, clothing, and equipment as is deemed necessary to enable them to execute their internal security responsibilities within their respective States and Territories, and for other purposes.

REGISTRATION OF TRADE-MARKS USED IN COMMERCE, TO CARRY OUT THE PROVISIONS OF CERTAIN INTERNATIONAL CONVENTIONS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 895) to provide for the registration of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The Clerk will report the committee amendments.

The Clerk read the committee amendments, as follows:

Page 1, line 4, strike out "Trade-marks", and insert "The owner of a trade-mark."

Page 1, line 4, after the word "may", strike out "be registered in the following manner.", and insert "register his trade-mark under this act on the principal register hereby established:".

Page 1, line 7, after "application," insert "in such form as may be prescribed by the Commissioner,".

Page 1, line 7, after "applicant," insert "or by a member of the firm or an officer of the corporation or association applying, specifying applicant's domicile and citizenship, the date of applicant's first use of the mark, the date of applicant's first use of the mark in commerce, the goods in connection with which the mark is used and the mode or manner in which the mark is used in connection with such goods, and."

Page 1, line 8, strike out "applicant" and insert "person making the verification."

Page 1, line 10, strike out "application" and insert "verification."

Page 2, line 1, strike out "trade-".

Page 2, line 1, after "registered," insert "that the mark is in use in commerce,".

Page 2, line 3, after "of", strike out "the applicant's", and insert "his."

Page 2, line 4, strike out "trade-"; also strike out "the United States" and insert "commerce."

Page 2, line 5, after "form" insert "thereof."

Page 2, line 6, after the word "deceive" insert a colon, strike out the remainder of line 6, and all of lines 7, 8, and 9, and insert "Provided, That in the case of every application claiming concurrent use the applicant shall state exceptions to his claim of exclusive use, in which he shall specify, to the extent of his knowledge, any concurrent use by others, the goods or services in connection with which and the areas in which each concurrent use exists, the periods of each use, and the goods and area for which the applicant desires registration."

Page 2, line 23, after "leaving", insert "with him or mailing to him."

Page 2, line 24, strike out "last" and insert after "address" "specified in the last designation."

Page 2, line 25, after "the", second occurrence, insert "last."

Page 3, line 4, after "No", insert "trade-".

Page 3, line 6, strike out "as a trade-mark" and insert in lieu "on the principal register."

Page 3, line 9, strike out "tends to" and insert in lieu "may"; after "disparage", insert "or falsely suggest a connection with."

Page 3, line 11, strike out "to"; strike out the semicolon at the end of the line, insert a comma and add "or disrepute."

Page 3, line 15, strike out the semicolon and insert a period.

Page 3, line 16, strike out "the" and insert in lieu "a."

Page 3, line 17, strike out "of a" and insert in lieu "identifying a particular"; strike out "unless" and insert in lieu "except"; strike out the semicolon, insert a comma, and add "or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow."

Page 3, line 19, strike out "previously"; after "registered", insert "in the Patent Office or a mark or trade name previously"; strike out "or"; after "used", insert "in the United States."

Page 3, line 22, strike out the semicolon and insert a colon; add the following: "Provided, That the Commissioner may register as concurrent registrations the same or similar marks to more than one registrant when they have become entitled to use such marks as a result of their concurrent lawful use thereof in commerce prior to any of the filing dates of the applications involved and the Commissioner or a court on appeal determines that confusion or mistake or deceit of purchasers is not likely to result from the continued use of said marks under conditions and limitations as to the mode or place of use of the goods in connection with which such registrations may be granted, which conditions and limitations shall be prescribed in the grant of the concurrent registrations thereof; and concurrent registrations may be similarly granted by the Commissioner with such conditions and limitations when a court has finally determined that more than one person is entitled to use the same or similar marks in commerce. The Commissioner shall give not less than 30 days' written notice, to all applicants, registrants, and users specified by any of the parties concerned of any application for concurrent registration and of the time and place of the hearings thereon. When the Commissioner decides to grant a concurrent registration the proposed registration shall be published in the Official Gazette of the Patent

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a letter addressed by him to a constituent, which appears in the Appendix.]

RUBBER ECONOMY—ARTICLE BY HON. JOSEPH A. CONRY

[Mr. WALSH asked and obtained leave to have printed in the Record an article on the subject Rubber Economy, written by Hon. Joseph A. Conry, which appears in the Appendix.]

THE FUTURE OF THE REPUBLICAN PARTY

[Mr. BUTLER asked and obtained leave to have printed in the Record an article entitled "The Future of the Republican Party," written by Dwight Griswold, Governor of Nebraska, and published in a recent issue of the Nebraska State Journal, of Lincoln, Nebr., which appears in the Appendix.]

FORM OF GOVERNMENT IN THE DISTRICT OF COLUMBIA—STATEMENT BY NATIONAL LEAGUE OF WOMEN VOTERS

[Mr. BURTON asked and obtained leave to have printed in the Record a statement by the National League of Women Voters to arouse interest in improving the form of government in the District of Columbia, which appears in the Appendix.]

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

The VICE PRESIDENT. The question is on the amendment of the Senator from Oklahoma [Mr. THOMAS].

Mr. HATCH. Mr. President, throughout the course of this debate, which has extended for perhaps too long already, I have refrained from saying many things which I really wanted to say.

I have greatly deplored some of the things which have been said on the floor of the Senate and some of the charges which have been made not only against the so-called farm leaders, representatives of large and great farm organizations, but even charges hurled against the Senate itself. I believe that I want unity as much as does any other Member of the Senate. I want unity among all our people in this time of war. I realize that if the war is to be won, we must unite and stand solidly behind our country in her hour of peril.

I do not desire to refer to my own record in support of what I have conceived to be for the defense of the country, and what was best for her, but I do wish to say that long before Pearl Harbor, long before it was apparent that our Nation would be plunged into the horrors of war I supported, without exception, every measure which tended in the slightest degree to contribute to what I conceived to be the defense of my country.

When the measure now under consideration was introduced, Mr. President, I immediately announced my support of it. In fact, I had announced my position on the stabilization of wages and prices of farm commodities long before this proposal was introduced. However, it happened that I believed in a simple addition to the parity formula. I did not want to reenact the entire parity schedule, although the writing of a complete new definition of parity was discussed with me and others. I objected to that. I did not think that the pending measure was the proper vehicle to

which to attach an entire new formula of parity, although I firmly believe that a new formula will have to be written before full justice is done to the farmers of the country. However, I would not undertake that task now, and I certainly believe it would be wrong to do so.

When it was suggested that there be added to the parity formula a simple clause, including farm labor as an element of parity, I saw no reason under the sun why it should not be included.

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

Mr. HATCH. I yield.

Mr. TYDINGS. I take it that if there had been no increase in the cost of farm labor, the Senator would have been satisfied with the parity equation.

Mr. HATCH. I certainly would have been.

Mr. TYDINGS. I think that is sound. The second point is that there has been an increase in the cost of farm labor. Does not the Senator feel that under the committee amendment, as clarified by the so-called compromise, which I think is nothing more than a clarification of the committee language, any increased cost in labor would become a part of the new equation when equity shows it should be considered?

Mr. HATCH. I know that to be the intention of the Senator from New Mexico.

Mr. TYDINGS. My reason for asking the Senator the question is that it seems to me the line of difference between the two sides of this question is more imaginary than real. One group asserts that the increased cost of labor should be a part of the parity equation. The other group says that when the increased cost of labor affects parity to the extent of causing inequity, it shall be considered, and I believe that is what the Senator from New Mexico and the farm interests are asking for. I also believe that in the sense the committee has stated it, they are entitled to have it considered. However, I think the trouble is that, as the Thomas amendment reads, it requires the consideration of farm labor even when there is no increase in the cost of the labor. It seems to me that where the Senator makes out a case for its consideration—and I know that he does make out a good case in many instances and that there has been an increase in the cost of farm labor—the machinery to deal with that situation is in the committee amendment.

Mr. McNARY. Mr. President, there is so much disorder in the Chamber that I cannot understand the debate. It is the duty of the Presiding Officer to preserve order.

The PRESIDING OFFICER (Mr. MEAD in the chair). The Senate will be in order.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BILBO. I am sure the Senator from New Mexico does not mean to yield to the seductive argument of my distinguished friend, the eloquent Senator from Maryland, by committing himself to the proposition advanced.

Mr. HATCH. I have not done so.

Mr. BILBO. I did not want the Senator to commit himself by saying that he was objecting to the inclusion of all costs of labor in the production of farm products. It may be of interest to the Senator from Maryland to know that the head of the Bureau of Agricultural Economics admitted, even as long ago as the last session, that it was a mistake to leave out the actual cost of production in the computation of parity prices.

Mr. TYDINGS. That may be.

Mr. BILBO. The labor of the farmer, his wife, and his children. As I understand, the Senator from New Mexico went only to this extent, that at this time he would not commit himself to the inclusion of all costs, whereas all who know anything about it know that all costs should be computed. I doubt whether one-third of the Congress knew that the cost of production had been left out in the computation of parity.

Mr. TYDINGS. Let me ask the Senator a direct question, which probably will clarify the matter.

Mr. McNARY. Mr. President, the rule of the Senate requires that the Presiding Officer maintain order.

The PRESIDING OFFICER. The point made by the distinguished Senator from Oregon is sustained, and the Senate will be in order.

Mr. TYDINGS. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Maryland?

Mr. HATCH. I yield.

Mr. TYDINGS. As I understand the committee amendment as modified by the so-called compromise amendment, in case the increased cost of labor reaches such a point that it upsets the parity between agricultural and industrial commodities, the O. P. A. is commanded to take that factor into consideration if inequities to agriculture are thereby created. I am asking the Senator whether, if we provide that whenever the increased cost of labor does work an unfair hardship on agriculture that shall be taken into consideration; we have not then done what the Thomas amendment in its broader sense purports to do, but which would include labor which does not upset the parity equation as it has heretofore existed?

Mr. HATCH. I do not think the revised or modified committee amendment would accomplish what the Thomas amendment would accomplish. I think it would fall short of it. It includes only increased labor costs. The Thomas amendment, according to my construction of it, would include all labor on the farm.

Mr. TYDINGS. I think the Senator is perfectly candid and fair, and I think he has drawn the issue, which is, briefly, as follows, that those who favor the Thomas amendment want to rewrite the whole parity formula, while those who favor the committee amendment merely want to change the parity formula insofar as increased labor costs show that it is warranted by the creation of inequities to agriculture.

Mr. HATCH. The Senator from Maryland is in error, in my judgment, when he says that the Thomas amendment would rewrite the whole parity formula.

It refers only to labor. It includes all the labor on the farm—hired labor and other labor—but it adds only that one factor to the present parity formula, that is all.

Mr. TYDINGS. Will the Senator yield further?

Mr. HATCH. I yield.

Mr. TYDINGS. I admit that, but, of course, when we add that one factor to the parity formula, we change the formula.

Mr. HATCH. We change the formula.

Mr. TYDINGS. It is as if we have four apples on the table and put down an extra one; then we have five. What I am contending is that in effect the Senator is proposing to change the formula basically, and is not merely dealing with an emergency condition which has arisen because of the increased labor costs on the farm.

Mr. HATCH. The Senator's amendment would also change the formula, of course.

Mr. TYDINGS. Yes; it would.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. AIKEN. I wish to ask the Senator from New Mexico a question to clear up one matter which has been widely misrepresented since the debate started. As I understand, the Thomas-Hatch amendment would provide that labor should be considered as a factor in determining parity only for the purpose of fixing a price ceiling. It would not in any way affect the general parity formula so far as the making of loans is concerned. It would not prevent the Federal Government from selling the C. C. C. wheat at the same price at which it is now selling. The proposed amendment merely applies to the parity formula when used for the purpose of fixing a ceiling.

The report has been sent out by persons who ought to have known better that the adoption of the amendment would result in requiring the Commodity Credit Corporation to raise the price of the wheat which it is now permitted to sell for 85 percent of the parity price of corn. That, as I understand, is not the intent or purpose of the amendment at all. I think that for the purpose of the Record the Senators from New Mexico and Oklahoma should make that point clear.

The story has also been sent around that the Federal Government would be required to pay greater parity payments in order to make up the difference between parity, as figured under the regular formula, which will still be the law, and parity, as it would be determined by including all labor costs.

Mr. HATCH. Mr. President, I thank the Senator from Vermont. I know of nothing I can add to what he has so ably said. He has stated the situation exactly as I understand it to be, and I am sure the Senator from Oklahoma [Mr. THOMAS] agrees; in fact, I know he does.

Mr. President, a moment ago, before I was interrupted, I started to mention some of the erroneous statements which have been made, some of the false statements which have been scattered throughout the country as to the effect

of the pending amendment. I deplore those statements, because I think they are unfair and unjust—not to me particularly, nor to the Senator from Oklahoma, but I think they are unfair and unjust to the farmers of America. I do not think the farmers of America ought to be placed in the light they have been placed in throughout the course of the debate not only on the floor of the Senate but by the press of the Nation. On the front page of one of this morning's newspapers we see nothing except reference to "the greedy farm bloc"—"Will the greedy farm bloc or the President control?"

Mr. AIKEN. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Vermont?

Mr. HATCH. I yield.

Mr. AIKEN. I presume that in the same newspaper the Senator from New Mexico and others may have seen a full-page advertisement headed—

Inflation—By Congressional Command!

Then follows a lot of misleading—oh, I do not know what to call it—tripe. The advertisement is signed—

AS A PUBLIC SERVICE

We are calling attention to the peril of inflation—a wrecked American dollar.

INTERNATIONAL LATEX CORPORATION,

Playtex Park, Dover, Del.

After reading that advertisement, I communicated with the Library of Congress, and they have no record whatsoever of the existence of any corporation with such a name as the name signed at the bottom of this full-page advertisement. The Senator from New Mexico may have this advertisement, if he would like to look at it. It is simply a fake, a false front, so far as I can ascertain. Certainly the Library of Congress should know whether or not this corporation is in existence. If this is a fictitious corporation, or if it is one which has been organized within a month, it simply has been organized for the purpose of deceiving and imposing upon the American people. I do not propose to succumb to that kind of pressure. I hope the Senator from New Mexico and every other Senator here will show his resentment of that kind of propaganda, which is put not only before the Congress but before the people of the United States. If those who are doing so think they are fooling the farmers, they are absolutely wrong.

Mr. HATCH. Mr. President, I am very glad to have had the interruption.

Mr. REED. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. REED. I was interested in what the junior Senator from Vermont [Mr. AIKEN] said following the comment of the Senator from New Mexico. I had expected to deal with that question in my own time on the floor. The matter having come up, as one of the Senators who have been active in seeking some adjustment of the matter—which would appeal to the reasonable man, I wish to say to the Senator from New Mexico and to the Senator from Vermont that I share their resentment against this

sort of stuff in the newspapers. I read that full-page advertisement this morning, and I think it is an outrage. It is misleading, it is false, it is not fair. I read in the New York Times this morning—a newspaper noted for its fairness—a short editorial, which I must say is not fair, and which prejudices the farm bloc's case.

Mr. President, I am one of those who belong to the farm bloc, and shall continue my membership in the farm bloc. No one can take me out of the farm bloc except the people of Kansas. But I say, as a Senator who is giving his best effort to compose the differences that we are not being aided in the slightest degree by these things which prejudice and inflame the individual Members of Congress in both Houses.

Mr. GILLETTE. Mr. President, will the Senator yield to me for a moment?

Mr. HATCH. I yield.

Mr. GILLETTE. Along the line which has just been the subject matter of this colloquy, it is interesting to note that the pending measure provides that the President may suspend provisions of section 3 (a) and 3 (c) of the Price Control Act, which, of course, are the agricultural-commodity provisions, but he may not under authority of the joint resolution suspend any other law or parts thereof.

Then, I call attention to the provisions of the Price Control Act which may not be suspended. I read from page 15 of the published text of the present Price Control Act:

Nothing in this act shall be construed to authorize the regulation of (1) compensation paid by an employer to any of his employees, or (2) rates charged by any common carrier or other public utility, or (3) rates charged by any person engaged in the business of selling or underwriting insurance, or (4)—

Now, listen—

rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio broadcasting station, a motion-picture or other theater enterprise.

The type of attack which is being referred to is made by institutions which come under an act which prohibits the regulation of newspaper advertising, newspaper rates, or expenses in connection therewith, or broadcasting, and the pending measure prohibits the suspension of that section of the law.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. TAFT. Referring to the remarks made by the Senator from Iowa, I wish to say that I think as a matter of fact it is not true that this measure exempts various newspaper rates and other matters which are exempted in the Price Control Act. All that the proviso in the Price Control Act does is to say that nothing in the Price Control Act shall authorize such regulations.

But in the pending measure we provide a brand new authority, which is entirely outside the Price Control Act, to regulate all prices, wages, and salaries, so that anything falling within the term "price," in my opinion, is covered by the new measure. It is wholly unnecessary

to set aside the provisions of the Price Control Act, because they create an exception only to the regulation provided by the Price Control Act, and not an exception to the regulation under the pending joint resolution.

Mr. GILLETTE. Mr. President, if the Senator from New Mexico will be courteous enough to yield again?

Mr. HATCH. I yield.

Mr. GILLETTE. The logic of the statement just made by the able Senator from Ohio [Mr. TAFT] would be more convincing if the pending measure did not contain the specific provision that the President—and I am reading—

The President may suspend the provisions of sections 3 (a) and 3 (c) of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this joint resolution, but he may not under the authority of this joint resolution suspend any other law or part thereof.

Mr. TAFT. That is because section 3 (a) and section 3 (c) are amended by the pending joint resolution by providing new standards. But it is not necessary to suspend the Price Control Act or the definitions of the Price Control Act in order to exercise wider control under this joint resolution.

That has nothing to do with the joint resolution. The joint resolution includes prices of all things, including prices of newspapers. It is not necessary to suspend the Price Control Act, or the definition of "commodities" in the Price Control Act, because that in no way governs the definition of wages, prices, and salaries in section 1 of the joint resolution.

Mr. HATCH. Mr. President, while this discussion is very interesting, I must proceed.

I believe that when I was interrupted I was discussing some of the criticisms which have been heaped upon the farm organizations and those who represent the farm organizations in Washington. Names were called on the floor of the Senate. Mr. O'Neal was singled out. I have known Mr. O'Neal for a number of years. I know of no reason why he should not have the right to come before a committee of the Senate or of the House of Representatives. Whether he be right or wrong, he has a right to advocate his views not only as a representative of an organization, but as an individual. He has the same right which every other American citizen has to state his views.

The same thing is true of Mr. Goss, who has been held up to ridicule and condemnation. Why? Because he dared to appear before a committee of the Senate and state the views of the National Grange, of which he is the head.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. WHEELER. It should be recalled by Democrats that Mr. O'Neal is one of the farm leaders who has always stood by the Democratic Party. On many occasions he has appeared before the resolutions committee to help write the Democratic platform. He was most welcome before the committee, and his help was most welcome in the campaign. I

happen to know whereof I speak. He was active in the 1932 campaign and other campaigns.

Mr. HATCH. The Senator from Montana is entirely correct. For years Mr. Goss was head of the Farm Credit Administration, working actively with the present administration. It is suggested that he was a very able head. I agree with that statement.

He dared to appear before a committee of the Senate and suggest that perhaps it was not fair to exclude the cost of labor from the cost of the things which the farmer produces. Because he did so he and his associates are pilloried over the Nation as trying to interfere with the war effort and to sabotage our whole national program. I do not think that is fair, Mr. President. I do not think it is conducive to unity in any degree whatever.

Unity does not mean unity only on one side. Unity requires all of us to work together. Name-calling will not help any of us. I shall not indulge in it, and I have not done so. I wished to express my views in defense of the men who represent the millions of farmers of America. They are the only representatives the farmers have. I do not like to use the term "big business," but I use it for want of a better term. Has anyone ever suggested a law affecting big business when lobbyists were active in Washington in behalf of big business, some of them not appearing before committees, but at parties and social affairs?

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. TOBEY. Speaking of lobbyists, I should like to point out to the Senator that they come not only from farm organizations, but from other sources as well. As a Member of the House for 6 years prior to coming to this body, I distinctly recall when a certain "lame duck" Representative from Ohio was appointed by the Executive at \$10,000 a year. His chief function was to cajole, importune, and threaten Members of the House to "come across" and meet the demands of the administration. As compared to the methods used then, the methods of farm leaders pale into insignificance.

Mr. HATCH. I recall quite well being on a conference committee several years ago with the Senator from Nebraska [Mr. NORRIS] and the then Senator from Alabama, Mr. Black. We were trying to devise antilobby legislation. We did the best we could, but it was killed. I do not understand why farm leaders are held up before the country in a false light. I do not think it contributes in any degree whatever to national unity.

Yesterday the Senator from Michigan [Mr. BROWN] read a letter from a boy in the Air Corps criticizing Congress. Apparently the effect of the Senator's remarks was that the unpatriotic farmers, by insisting on this amendment, are unwilling to serve their country as fully as do other groups of citizens. This morning there came to my attention a letter from a boy in the Air Corps. He comes from my home town. It was not a private letter. It appeared in the Clovis News-Journal, a newspaper published in the

town in which I live. On the front page is a picture of the lad. His name is J. D. Lindley. He went to high school in Clovis, N. Mex. He is in the Air Corps. He had just shot down a Japanese flier and crippled another one. The story concerned that exploit. I know the boy well. I know his family. Lindley, the son of Mr. and Mrs. Joe Lindley, the former now dead, lived on a farm southeast of Clovis, N. Mex.

Mr. President, do you think that the sons of the farmers of this country are not fighting and dying today? Do you think that their fathers and mothers are going to imperil their lives for parity or any other formula? If you do, you do not know the farmers of America as I know them. They will give up the parity formula; they will give up their wheat, their cotton, their farms, or anything else in order to win this war. It comes with very poor grace for the Congress of the United States or the press of the Nation to place them in the category of disloyal and unpatriotic Americans. I must pay that tribute to the farmers of America, because their sons are also in the Air Corps, they are in the Navy, they are in the Army, they are in the marines.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. WILEY. Some mention has been made of letters which Senators have received. I should like to call attention to two which I received this morning, because they explain what I think is the very crux of the situation. One is from a farmer, and is substantially as follows:

I am 72 years of age. One of my sons is in the Army. They have now taken the other son, who is 42, and put him into the Army. I am obliged to sell out my livestock. How do Congress and the Nation expect to be fed?

Another letter came this morning from a former editor in my home town. He is 65 years of age. He says:

I am out in the field working for a farmer 7 miles from town to help him get his crops in. It is too late now for Congress to take the steps it should have taken.

He blames Congress, Mr. President, when the blame should be on the administrative branch of government. The crux of the whole problem is production. Yesterday I asked the Senator from Wyoming [Mr. O'MAHONEY] whether his amendment would result in production. I refer to the RECORD for his answer.

We may discuss the question pro and con for a long time; but unless we do the thing which is imperatively necessary to get production, the consumers of America, in which class we all belong, will suffer.

I agree with everything that has been said about the malignant influence of some columnists and some radio commentators. Who do they think they are? Do they think they are the "whip" of somebody? Who is paying them? We had better have an investigation to find out. We had better see what influence is abroad in this land which seeks to create schisms and class hatreds, and especially, delights in sabotaging the

farmers and the Congress of the United States.

I come back to the original proposition. We must get labor onto the farms, whether it be the labor of city folks, white-collar folks, or whoever they may be, or next year we and our Allies and our boys will starve.

To me that is the imperative challenge in this debate.

Mr. HATCH. Mr. President, at this point in my remarks, in connection with what I said about the leaders of farm organizations, I wish to read a list of the organizations which favor the Thomas amendment:

1. The American Farm Bureau Federation.
2. The National Grange.
3. National Council of Farmer Cooperatives.
4. National Cooperative Milk Producers Federation.
5. American National Livestock Association.
6. National Cooperative Livestock Marketing Association.
7. National Wool Growers Association.
8. United States Livestock Association.
9. Missouri Farmers Association.
10. National Livestock Advisory Council.
11. Cooperative Fruit and Vegetable Association.
12. National Peach Council.
13. National Cotton Council.
14. American Cotton Cooperative Association.
15. National Association of Secretaries and Commissioners of Agriculture in the various States, some 15 in number.

The foregoing organizations represent in their membership the majority of farmers who are producing the bulk of food and fiber supplies of the Nation. They represent in their membership every type of farmer—operators of small farms, large farms, and moderate-sized farms, tenants, sharecroppers, and landowners, who are producing all-important agricultural commodities. Their combined membership reaches into all of the 48 States. This is not by any means a complete list of the farm organizations supporting this amendment.

Mr. SMITH. Mr. President, at this point will the Senator yield to me so that I may read for the record a letter which I received this morning from a constituent?

Mr. HATCH. I yield.

Mr. SMITH. The letter, which is addressed to me, reads as follows:

CLIO, S. C., September 24, 1942.

Senator E. D. SMITH.

DEAR SIR: Please ask the Senate and Congress to come down and pick cotton for us 1 day, bring their women and children; to be here by sunup and pick until sundown, they may expect to be wet to the skin with dew early, but by 10 o'clock they should be about dry, but by then it will be getting hot enough to be perspiring, and with the dew and perspiration they should stay moist all day. If they will pick as much as the average grown person they should make \$1.50 per day at \$1 per hundred pounds; children from 50 cents up. They may expect to have some colds but this goes with it, they can pay their own doctor bills. Tell them to bring as many labor leaders as they can and organize the farm labor so that labor will turn back to the farm, and when they get a better price for their work the farmers can get more for their crops and can pay better wages. Quite a good many landowners have given up their farms to

cross over to the other side. I know one man who worked a one-third crop some years ago, the weevils were bad and he sold his part for \$37, that was for his year's work for himself and family. His son went to the cotton mill and gets more than this in 2 weeks.

Yours truly,

P. S.—Wire how many are coming.

Mr. HATCH. Mr. President, in line with what the Senator from Wisconsin [Mr. WILEY] has just said, I desire to make the following comment: I think that what he pointed out is the tragedy which is ignored by those who are so bitterly assailing not only the particular amendment now pending but the entire farm group. Evidently they have no comprehension whatever of the entire farm problem.

What the Senator from Wisconsin has said is exactly true. I cannot say that the figures I shall now mention are correct, but I have reason to believe them to be. I have been told that already this year thousands of farmers have literally been forced out of production because they cannot get the necessary labor; also, that more than 2,000,000 laborers have left the farms, either going into the Army, by the draft or otherwise, or into defense plants in order to secure higher wages, and that the Department of Agriculture estimates that another million will be taken this year. I do not know who will raise the food for the people of the country. I am not saying that the farmers will go on strike. They will not do that. They will farm to the best of their ability, and will raise all the food they can raise; but if they cannot get labor, how are they to produce food? I do not think such opposition as that which we have had here helps the situation in any degree whatsoever.

Let me make a further statement: I shall hurry along and conclude my remarks; I do not want to delay the debate, even though there are many things which I should like to say. When it comes to criticizing and condemning the farmer for seeking only to add labor as a part of the parity formula, I wonder what is thought by those who look at the vast contracts of every kind being let to industries all over the country. Those contracts include labor as a part of the formula which is the basis of payment. Every conceivable cost is charged, and then the contractors are given fees based on cost plus. That may be right. It may be the only way we can proceed with the vast expansion which we must have in order to carry on our war effort. I wonder, however, how the farmers of America would feel if they were given contracts to produce food on a cost-plus basis. Has any Senator ever seen a cost-plus contract? How much is allowed for management? What would the manager of a farm think if he were allowed a salary for his management and his ability to produce the sinews of war in the way of food and cloth which are every bit as essential to winning the war as are guns, airplanes, or anything else.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from New Mexico yield to the Senator from Montana?

Mr. HATCH. I yield.

Mr. WHEELER. The Senator referred to the cost-plus basis of fixing the fees in war-production contracts. Just before I left Montana for Washington I talked with a newspaperman in Billings who told me of an incident which occurred at a place called Little Tokyo in Wyoming. He said that several boys from Red Lodge went to Little Tokyo to work. They were boys 16, 17, and 18 years of age, and they were being paid very fine wages. They lay around for several days, and did not actually do any work, because the lumber which they were to use did not arrive. Finally, when the lumber came, the boss or the man in charge was not on the ground. So the boys broke the seals or opened some of the cars which supposedly contained lumber. My recollection is that the newspaperman said that, of the cars supposedly containing lumber, four did not have a stick of lumber in them, notwithstanding the fact that they had been sealed.

Four other cars came in, but only two of them contained lumber, although all the cars were sealed. The boys were reprimanded because they had broken the seals so that they could unload the lumber and do the work more quickly. The man who spoke to me said he had written to the Department of Justice about the matter; but up to the time when I left Billings he had received no reply.

There are innumerable instances of that kind—extravagance, causing waste and inflation. I can cite as an illustration the instance of a man who bought a second-hand truck which had been run 40,000 miles, but even in that condition the truck cost \$875, as I recall. I was told that at the foot of Lake McDonald, in Glacier National Park, there were 35 trucks formerly belonging to C. C. C. camps, and that nothing was being done with them. I could not believe that, so I went there and counted the trucks and took pictures of them. Yet the Army was sending a man from California to pay more than \$800 for a truck.

If the various departments would take some cognizance of the waste—and I use the word advisedly—and the extravagance which are occurring, and of the way that money is being thrown down the rat hole, they would stop some of the inflation that is occurring.

Innumerable instances of waste and extravagance all through the West were called to my attention. What is the effect of it? The effect of it is that people are saying, "Why should I buy bonds if this is the way the Government is wasting the people's money?" Farmers are saying it; laboring people themselves are saying it.

The cost-plus contracts have been called to my attention. Let me mention an incident which was called to my attention. A man handling such a contract said, "I will complete the job 20 days sooner than I expected to complete it." So he was told, "Then give the boys overtime pay." He replied, "Do you want my resignation?" Of course, the reply

was, "No." He said, "Very well, accept my resignation or go on home, because I am not going to be a party to piling up costs on this contract." That incident is typical.

Another instance which was called to my attention involved the payment of \$800 a month for a truck with only a water tank on it—no gasoline, no men on it, but merely for the truck with the water tank. It was finally thought that the price was too high, and then the price was cut to \$400 or \$480 a month. All that the man who came on the shift did was to start the engine of the truck to see whether it would run. The man on the other shift did the same thing.

I do not know who is to blame for all the waste and extravagance or who is responsible for it, whether it is because of the lack of a sufficient number of inspectors or whether there is something rotten or crooked somewhere. I do not know; but certainly from one end of the country to the other we hear tales of waste and extravagance. Such tales are doing more to break down the morale of the American people than could anything else which could possibly happen. Something must be done to stop the waste. If we stop it we shall have stopped much of the inflation which is occurring, about which we hear so much, and for which all the blame is placed upon the farmer.

Mr. President, I did not intend to speak, but I think what is going on is outrageous. I listened to one of the radio commentators last night who referred to a statement I made, and he said that one of his colleagues turned to him and said he paid a high price for pork chops.

Of course, that is so, but the commentators do not stop to realize that freight rates have gone up for the farmer, truck rates have gone up, railroad rates have gone up, everything the farmer has to buy has gone up, and even his labor is being taken away. A farmer who was paying a man \$85 a month might offer him \$100 a month, but he would not stay because he could go into the mines and earn \$7 a day.

I am merely saying that if this situation continues in the United States those in New York and in Washington who are complaining because of the high cost of pork chops will not have any pork chops next year, and unless the present situation is remedied they will not get many other things next year. We have got to do either one of two things, and we might just as well face it. I have been one of those who have been in favor of high wages, and I am still in favor of high wages, but we cannot continue to pyramid wages and at the same time, because of the tremendous voting power that blocs of labor have in industrial centers, keep the price of farm products down. That should not and cannot be done. It is not economically sound; it is not going to help win the war to do it, notwithstanding the fact that every industry in the country takes the opposite view, notwithstanding the fact that every business organization in the East takes the opposite view, and notwithstanding the fact that every great newspaper in the East takes a similar position. What

is involved is merely ordinary common sense; 2 and 2 still make 4, and unless we do one or the other, unless we either bring labor costs down or put the price of farm products up, we are not going to get the food which is necessary to feed our armed forces in this war.

Mr. HATCH. Mr. President, I am sure that what the Senator from Montana says is only too true. It is a serious situation that confronts this country, and it will not be helped at all by the sort of attacks he has described which are being made in the press and on the radio.

Mr. President, at this point in my remarks I request unanimous consent to insert a short memorandum on the general subject of parity and the inclusion of farm labor in the parity formula. Accompanying the memorandum there is a table—perhaps it has already been printed—entitled "Comparison of Actual Prices, Official Parity Prices, Price Ceiling Parity Prices (1) and Highest Prices January–August 15, 1942, of Farm Products." I also ask that the table be printed in the RECORD, as follows:

There being no objection, the memorandum and table were ordered to be printed in the RECORD, as follows:

MEMORANDUM ON THE PROPOSED AMENDMENT TO SECTION 3 OF SENATE JOINT RESOLUTION 161

On page 4, at the end of line 13, add the following new paragraph:

"For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor."

The above amendment to section 3 provides for the inclusion of all farm labor in the parity formula, but for the determination of maximum (ceiling) prices only.

The present formula does not, of course, include any farm labor, but is based entirely on articles farmers buy, interest, and taxes. This amendment simply reflects in any maximum price established by the President this other important element of production costs.

On the basis of the amendment farm labor would have a weight of 38.2 percent; articles farmers buy, 53.1 percent; interest, 4.5 percent; and taxes, 4.2 percent. The foregoing is on the assumption that all farm labor is included.

Comparison of actual prices, official parity prices, price ceiling parity prices,¹ and highest prices, January to August 15, 1942, of farm products

Farm product and amount	Actual price, Aug. 15	Official parity, Aug. 15	Price ceiling parity, Aug. 15	Highest price, Jan. 1–Aug. 15	
				Month	Price
Apples, dollars per bushel.....	1.16	1.46	1.64	June.....	1.66
Barley, cents per bushel.....	56.7	94.1	105.8	February.....	62.8
Beans, dried, dollars per bushel.....	4.45	5.12	5.76	January.....	4.92
Beef cattle, dollars per hundredweight.....	11.30	8.24	9.27	August.....	11.30
Butterfat, cents per pound.....	40.6	38.0	42.8	do.....	40.6
Chickens, cents per pound.....	19.6	17.3	19.5	do.....	19.6
Corn, cents per bushel.....	83.4	97.6	109.8	do.....	83.4
Cotton, cents per pound.....	18.03	18.85	21.2	May.....	19.2
Cottonseed, dollars per ton.....	44.04	34.28	38.56	February.....	45.04
Eggs, cents per dozen.....	32.2	31.7	35.7	August.....	32.2
Flaxseed, dollars per bushel.....	2.26	2.57	2.89	May.....	2.43
Hay, all, dollars per ton.....	8.89	18.04	20.30	April.....	11.13
Hogs, dollars per hundredweight.....	14.13	11.05	12.43	August.....	14.13
Lambs, dollars per hundredweight.....	12.07	8.94	10.05	do.....	12.07
Milk, wholesale, dollars per hundredweight.....	2.52	2.38	2.69	January.....	2.61
Oats, cents per bushel.....	42.6	60.6	68.2	February.....	52.0
Oranges, dollars per box.....	2.07	2.39	2.44	August.....	2.09
Potatoes, dollars per bushel.....	1.15	1.08	1.10	July.....	1.26
Peanuts, cents per pound.....	5.99	7.30	8.2	May.....	6.30
Rice, cents per bushel.....	162.9	123.6	139.0	April.....	178.1
Soybeans, dollars per bushel.....	1.58	1.44	1.62	March.....	1.79
Sweet potatoes, cents per bushel.....	137.3	133.5	150.1	August.....	137.8
Tobacco, burly, cents per pound.....		27.1	30.9		

Footnotes at end of table.

In the present official parity calculations the index of prices of articles farmers buy, including interest and taxes, was 152 on August 15 (1910–14=100). Under this proposed amendment the index of prices of articles farmers buy, interest, taxes, and farm wages was 171 on August 15. The effect of the amendment, then, is to reflect the higher farm labor costs.

An example of the effect of the amendment on the price of an individual product may be shown as follows: The published parity price of cotton on August 15 was 18.85 cents per pound ($12.4 \times 1.52 = 18.85$), while the new parity price, as provided by this amendment, was 21.20 cents ($12.4 \times 1.71 = 21.20$).

That is, the effect of the provision on any individual product is not to raise the actual price but to raise by about 12 percent the ceiling below which the price cannot be fixed. Computations for several farm products are shown in the accompanying table.

EFFECT OF PROVISIO IN SECTION 3 RELATING TO FARM LABOR CONTRASTED

Under section 3 of Senate Joint Resolution 161 the President is authorized to adjust maximum prices established by him for agricultural commodities or commodities processed or manufactured in whole or substantial part from agricultural commodities, above or below, the highest price received by producers between January 1 and September 15, 1942. He may do so in order to correct gross inequities.

Additional authority appearing on page 4, lines 2 to 13 inclusive of said resolution, permits the President to make such adjustments in maximum prices in any case (1) in which it appears necessary to increase production, and (2) where it is satisfactorily shown that increased labor or other costs to the producer will result in gross inequities.

This Presidential authority is entirely discretionary and no standard is provided for guiding the President in any modification of maximum prices he may choose to make except that he may take action to modify maximum prices to the extent he finds necessary to correct gross inequities. Hence, whatever consideration is given to increased labor or other costs is still purely discretionary with the President.

In effect all the language does is to invest the President with power to grant relief but there is no compulsion upon him to do so. In other words there is no requirement contained in this proviso that farm labor be reflected in parity determinations for purposes of maximum (ceiling) prices on agricultural commodities.

Comparison of actual prices, official parity prices, price ceiling parity prices,¹ and highest prices, January to August 15, 1942, of farm products—Continued

Farm product and amount	Actual price, Aug. 15	Official parity, Aug. 15	Price ceiling parity, Aug. 15	Highest price, Jan. 1-Aug. 15	
				Month	Price
Tobacco, flue cured, cents per pound.....	23.1	27.9	31.9
Turkeys, cents per pound.....	19.9	21.9	24.6	January.....	20.5
Veal calves, dollars per hundredweight.....	12.91	10.26	11.54	August.....	12.91
Wheat, cents per bushel.....	95.4	134.4	151.2	January.....	106.0
Wool, cents per pound.....	39.4	27.8	31.3	May.....	40.2

¹ As computed on basis of ceiling price standard contained in proposed amendment to sec. 3 of S. J. Res. 161.

² Adjusted for seasonal variation.

Source: Price Reports of Bureau of Agricultural Economics and Computations by National Cooperative Milk Producers Federation staff.

Mr. HATCH. Mr. President, I shall not retain the floor longer except to advert to what I thought was a most unfortunate and unnecessary argument made yesterday and reiterated over and over again. I am sorry the Senator from Michigan [Mr. BROWN] is not present at the moment, because he was the Senator who made the argument, and, to my mind, it was practically the sole argument which was made against the pending amendment. It seemed to me that all the weight and stress of the argument were directed to one point, namely, that if Senators voted for the amendment of the Senator from Oklahoma they would collide with the President of the United States.

I repeat, Mr. President, I am sorry that argument was made. It is not pleasant to "collide with the President of the United States." I doubt whether there has been a more ardent supporter of the President in this body than I have been. I have been compelled at times to disagree with him, but I took no pleasure in doing so, and when I have disagreed with the President of the United States, it has been because I thought my duty lay along some other line. Today I think my duty lies along the line of supporting the pending amendment; that is my best judgment; and, in advocating the amendment, I am not "colliding with the President of the United States," but am trying to perform my duty as a Senator of the United States. If the time has come when a Senator cannot speak and vote as he honestly believes to be correct, without threat of collision with the President of the United States, perhaps we had all better go home.

Mr. CAPPER. Mr. President, I desire to read to the Senate the following letter, just received by me, because I think it explains in a few words a condition which we are trying to face realistically by including the Thomas-Hatch amendment in the pending price-control legislation. The letter is from Mr. J. W. Hiebert, of Coffeyville, Kans., engaged in the farm loan and insurance business. Mr. Hiebert deals with farms and farmers daily, but on a long-range basis, so he is really acquainted first hand with the subject about which he writes. I read Mr. Hiebert's letter:

COFFEYVILLE, KANS., September 21, 1942.
Hon. ARTHUR CAPPER,
United States Senate,
Washington, D. C.

DEAR MR. CAPPER: No doubt your recent visit back home acquainted you with the farm situation here. Nevertheless, we wish to go

on record protesting the attitude of our administration on the farm question. We find that in our small section of the great State of Kansas many farmers are quitting business. Our local newspaper carries from two to four sale advertisements almost daily of farmers leaving the farm. The reason is obvious. The farmers cannot compete with the high wages paid by the Government in war industry, and such men as would stay on the farm are being taken 'n the armed services until Mr. Farmer now finds himself unable to do the work. Not only is he unable to get his farm work done, but the cost of producing his product is mounting and the administration seems determined to prevent his receiving an additional income to offset this increase in cost. He is being caught in the squeeze between a low ceiling price and an ever-mounting cost.

As I see it, there is only one answer—we must either make farming lucrative and possible for the farmer, or we in the United States will be confronted with an empty bread basket in a year or two. The situation is real alarming, and we would appreciate you using your best efforts to do something for the farmer.

Yours very truly,

J. W. HIEBERT.

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, copy of an editorial entitled "Farm Matters as I See Them," which I have written for the Kansas Farmer, published in Topeka, Kans. I believe the editorial may prove of interest to my colleagues and other readers of the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

I don't like the attitude taken by big city newspapers—and to a considerable extent by the administration itself—in the recent controversy over controlling farm prices and wages and salaries. There seems to have been two main themes running through much of the exhortations put out recently in a determined and well-organized campaign to compel Congress to give the President all-out control of farm prices, while leaving the question of industrial wages to negotiations by representatives of organized labor.

One of these themes was that no matter what happens to farmers—and to farm production—the Nation must have cheap foods. The other theme was that the "greedy farmers" and the "unpatriotic farm bloc" in Congress are trying to hold up the country to enrich the farmers and increase the power of the farm bloc in Congress.

One could easily conclude from this campaign through the big daily newspapers and over the radio—and I am sorry to say that the President's message to Congress and fire-side chat of Labor Day carried somewhat similar implications—that farm prices are almost the only cause of inflation. The President

prefers to call it cost of living, but any student of economics, and I think almost every person who has read any history, knows that what we are getting is inflation. But if it is called cost of living, then a lot of people, particularly housewives, will associate it largely with prices paid for groceries and meats—and fix the blame on the farmer.

Now inflation, evidenced by inflationary rising prices, is caused by more dollars to spend and fewer numbers and smaller volume of things for which the dollars can be spent. Government expenditures are on the way from fifteen billion or so dollars a year to \$100,000,000,000 a year. That means more dollars to spend. At the same time, the amount and volume of goods in the market is sharply decreased, cut almost in two. There is the basis of inflation. It is unfair to lay all that onto farm prices.

The August issue of the Marketing and Transportation Situation, published by the Department of Agriculture, shows that in the period 1935 to 1939 the cost of the basket of all foods to the American consumer was 27 percent of his income, while in May, June, and July of this year the cost was only 22 percent. Food costs have gone up—but the income of the industrial worker has gone up much faster and further. As this report states:

"Cost of food as percentage of family income is thus smaller at present than before the war, since incomes have risen more than prices."

I might say this would not apply to families with fixed incomes—their food costs have risen while their incomes have not. But the real income of industrial workers actually is the highest in the history of this country today.

I maintain there is no inequity in the farm proposal to consider wage costs in placing ceilings on the prices of farm products. You cannot have such an increase in Government spending without having rising prices, unless the Government taxes away the increases in workers' pay rolls as well as excess profits—and that is not being done. On the other hand, the higher wage levels in war industries, accompanied by hours so much shorter than on the farm, have taken away hundreds of thousands of farm laborers and farmers themselves from the farms. This has been accompanied by heavy drafts of young farmers and farm help into the Army.

One has only to look at the dairy herds, other livestock and equipment being sold at public sale as farms cease operations today, to realize that wages are more inflationary than farm prices—otherwise the flow would be to the farms, not away from the farms.

And that brings up another point. Unless farmers get enough manpower on the farms to keep up production—and increase production—our armed forces, and our Allies, and our civilian populations are going to be short of food by the end of 1943, and badly short in 1944. Farmers' costs of production are going up by leaps and bounds, and farmers can only pay those increased production costs—wages included—by getting high enough prices to pay the higher production costs, including wages.

Congress, when it insists upon equitable prices for farm products is not just protecting the farmer from ruin—Congress also is trying to protect the Nation—and our Allies—from a shortage in foodstuffs that might of itself prevent our winning this war. And we must win this war.

Mr. TYDINGS. Mr. President, I shall not speak very long, but I think what I shall say may contribute somewhat to the facts which should be considered in voting on the pending proposal.

Mr. VAN NUYS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Indiana?

Mr. TYDINGS. I yield.

Mr. VAN NUYS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Overton
Andrews	Guffey	Pepper
Austin	Gurney	Radcliffe
Bailey	Hatch	Reed
Ball	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Russell
Bone	Holman	Schwartz
Brewster	Johnson, Calif.	Shipstead
Bridges	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Truman
Chandler	McKellar	Tunnell
Chavez	McNary	Tydings
Clark, Idaho	Maloney	Vandenberg
Clark, Mo.	Maybank	Van Nuys
Connally	Mead	Wagner
Danaher	Millikin	Wallgren
Davis	Murdoch	Walsh
Downey	Murray	Wheeler
Ellender	Norris	White
George	Nye	Wiley
Gerry	O'Daniel	Willis
Gillette	O'Mahoney	

The PRESIDING OFFICER (Mr. VAN NUYS in the chair). Eighty-nine Senators having answered to their names, a quorum is present.

Mr. TYDINGS. Mr. President, I wish to start what I have to say about the pending question by conceding that, of course, everything that has been said in the debate is true. I do not concede that the remedies suggested to cure the ills pointed out are always sound, but what has been said about the farmer's part in the war, about his patriotism, about his achievements, and about the necessity of having food for ourselves and our Allies, and all the other things which have been said, are, of course, abundantly true.

It is also true that farm labor is about as poorly paid as any I know of in this country; in fact, one of the things which may come out of the debate is that a great, inarticulate, poorly organized group of Americans, who have been to a large extent left out of economic consideration in the last 10 or 12 years, may become the subject of congressional notice and administration notice and national notice, and, indeed, may secure some measure of parity for themselves, which is not altogether unjustifiable in the present circumstances.

In conceding that a good case is made out for a consideration of farm labor costs, let me read some figures I have today received from the Department of Agriculture, Bureau of Agricultural Economics.

The average of farm wages in the United States, without board, as of July 1, 1942, was \$2.45 a day. A year ago the average was \$1.98 a day for the entire country.

Let me read the statistics showing the difference between the two dates:

State	Farm wages on July 1, 1942	Farm wages a year ago
South Carolina.....	\$1.15	\$0.95
Virginia.....	2.10	1.70
Maryland.....	2.90	2.35
Delaware.....	2.95	2.40
Pennsylvania.....	3.20	2.75
Indiana.....	3.00	2.65
Iowa.....	3.70	3.00
Kansas.....	3.75	3.05
Oregon.....	4.25	3.10
Washington.....	4.85	3.45
California.....	4.50	3.35

The average for the whole country on July 1, 1942, was \$2.45, as I have stated, as against \$1.98 in July a year ago.

We therefore start by saying that not only are farm wages lower than the wages which generally prevail in other lines of endeavor, but they vary quite widely, as much as three or four hundred percent as between various sections of the country.

It is quite obvious, therefore, that, so far as labor is concerned, the cost of producing something that is raised primarily in the far West is more affected by the increased cost of farm labor than would be the case in the East, where farm wages are generally lower than in the West. So we can concede that the farm labor content in the farmer's production costs is a considerable item and one which has increased.

What is there in dispute in the whole controversy? Does anyone on either side assert for a single instant that the cost of the labor content should not be considered by the Office of Price Administration in fixing the prices of agricultural commodities? No; the committee amendment and the amendment of the committee, as modified, on the one hand, and the Thomas-Hatch amendment on the other, take into consideration the cost of labor content in fixing the prices of agricultural commodities.

The difference is that under the committee amendment, as modified, the Office of Price Administration is commanded to make adjustments in the price ceiling when the increased cost of labor warrants such adjustments in the prices fixed by the Price Administrator. Under the Thomas-Hatch amendment, it does not make any difference whether wages theoretically have increased or decreased, the O. P. A. is commanded to add any increase to the old parity equation which existed before the war started. That, briefly, is what is in dispute, if anything is in dispute.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. AIKEN. I should like to ask the Senator from Maryland for an explanation of the clause in the amendment—

Where by reason of increased labor or other costs to the producers of such agricultural commodity—

And so forth. Does that mean increased labor and other costs from now on, or from what point shall we calculate the increased costs?

Mr. BARKLEY. Mr. President, will the Senator from Maryland permit me to make a suggestion?

Mr. TYDINGS. Certainly, because I did not clearly understand the question.

Mr. BARKLEY. The language to which the Senator from Vermont has referred is without time; it has no limitation upon it. It could be taken into consideration with regard to any maximum price which might be fixed hereafter, or which has already been fixed, or which would be fixed under the parity formula. So that even if a ceiling, as we call it, or a maximum price, has been put on an agricultural product, based upon the parity formula in the Agricultural Adjustment Act, if it does not reflect the congressional intent set forth in the substitute, if it should be adopted, the O. P. A., or the Secretary of Agriculture, or whomever the President may designate as the administrator of the amended act, which in effect amends the Price Control Act, will have the right to consider, not simply future wages, but wages which have gone into the cost of the product and of articles.

Mr. AIKEN. But how far back could the Administrator go—to the base period?

Mr. BARKLEY. It is without limit; he might go back to any particular time.

Mr. TYDINGS. Mr. President, I must decline to yield for the purpose of arguing that point, because I am not directly concerned for the moment with how far back or when the calculation with regard to increased costs shall apply. I am trying to establish that, under the committee amendment as proposed to be amended, whenever increased labor costs affect the farmer's position from the standpoint of a parity formula equation, the increased labor content must be taken into consideration by the Office of Price Administration. I do not believe that anyone, whether he favors the modified committee amendment or the Thomas-Hatch amendment, will take issue with that statement.

Mr. REED rose.

Mr. TYDINGS. I yield to the Senator from Kansas, if he wishes to ask me something pertinent to what I am saying.

Mr. REED. I desire to call the attention of the Senator from Maryland to the fact that in the amendment to the committee amendment there is a requirement that not only shall labor costs but every other kind of increased cost be considered, and in that respect the amendment offered by the distinguished Senator from Maryland and myself goes further and is more favorable to the farmer than the Thomas-Hatch amendment.

Mr. TYDINGS. What the Senator's amendment, of which I share joint authorship, contemplates is that unusual conditions have arisen on the farm, that farm wages are on the increase, that farm labor is hard to hold, and that farmers must pay more than was anticipated when the original act was passed last January. The amendment provides that the Office of Price Administration not "may" but "shall" make such adjustments in the prices of agricultural commodities as the increase, all things considered, warrants from the standpoint of

equity. That is all there is to the proposal.

Mr. REED. The Senator from Maryland has stated the situation correctly. What he has said is entirely correct.

Mr. TYDINGS. I do not want to be in the position of saying that the farmer's problem is no different from what it was 2 years ago. That would be silly. I do not want to be in the position of saying that the full labor content should be put in or left out of the cost of producing an agricultural commodity as fixed by the O. P. A. I want to be sure that in the general law dealing with the subject sufficient latitude is afforded so that if the ceiling fixed for agriculture is unfair, and it can be shown to be unfair, it can be raised, so that the farmer may receive the same fair treatment that everyone else receives.

I desire to go afield for a moment in a purely collateral matter, merely because I am supporting in essence pretty much the committee's position as amended. I do not want to be understood as completely agreeing with the Senator from Michigan [Mr. Brown]. I do not believe the President has the right, notwithstanding the ruling issued by the Attorney General, or even the chance of it being upheld by the Supreme Court, to legislate for this Nation on purely domestic affairs under our constitutional form of government.

There are those who hold to that view. I may be wrong about that, but I do not believe I am. I believe sincerely that no man can issue edicts, or directives, or decrees, or perform the functions safeguarded to the Congress in the Constitution of the United States unless exception is made therein.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHEELER. Of course, if the President was correct in his statement that the Attorney General or someone had advised him that he could set aside this law, or part of it, then under that interpretation he could set aside any law upon the statute books of the United States.

Mr. TYDINGS. Of course.

Mr. WHEELER. And then constitutional government in this country would be gone.

Mr. TYDINGS. Yes.

Mr. WHEELER. Would we not be in a strange position, then, to be talking about fighting for democracy the world over if we have lost democracy in the United States of America?

Mr. TYDINGS. Of course.

Mr. WHEELER. It is often said that the people can take government back into their own hands after having given it up, but those of us who have been in Congress and have had experience here know, and history teaches us, that once the executive branch of the Government gets control of the legislative powers it is almost impossible ever to get them back. In most countries where that has occurred the only way the people have regained the powers which they have lost or given away has been by some form of coup d'état or revolution.

Mr. TYDINGS. I agree thoroughly with the Senator, and I do not doubt for a minute that the need for action is great, and that the President feels great concern. I share to a large degree in the concern which he feels that the cost of living may get out of hand, and I am not speaking, as it may be interpreted, in a spirit of personal attack on the President, or in a spirit of personal criticism of the President, for I sincerely believe what he has said on that score. I do not believe that the position taken by the President with respect to taking over legislative functions in wartime is sound or correct. It would not make any difference what man occupied the White House and made the statement, whether it was George Washington, or Thomas Jefferson, or Abraham Lincoln, or anyone else. I do not believe that the President of the United States can constitutionally take over the functions of the legislature even in time of war.

Mr. REED. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. REED. Again taking advantage of my immediate relation to the distinguished and able Senator from Maryland, I want to say, as a cooperator with him in working out this amendment and as the other end of the authorship of the amendment, that I agree entirely with the statement made by the Senator from Maryland as to the powers of the President.

Mr. TYDINGS. I thank the Senator from Kansas. I am glad that in the main I am in agreement with the President. As a matter of fact, so far as I can, I am trying to go along with the philosophy set forth in his speech. I may say that as far back as November 7, 1941, at the time of the final repeal of the Neutrality Act, I did not support that part of the act which permitted our ships carrying the American flag to carry cargoes into the ports of Great Britain, for, in my judgment, had one then done so and been sunk by a submarine, it would have resulted in war. I did not support that provision, and I said in a speech on the Senate floor that if we were going to get into the war formally, which we did very shortly thereafter, there would have to be complete control of wages, rents, agricultural prices, and industrial prices.

When the able Senator from Michigan [Mr. Brown] last January sponsored the price-control bill on the floor of the Senate, I interrogated him on several occasions, and said that, in my opinion, the measure would not work because wages had been left out of the equation; that a regulation of the price of farm products was a regulation of the farmer's income and the farmer's wages, and it was not just or equitable to include one without including the other. The record of the debate will so show. At that time the Senator from Michigan said that the administration was in such a position that it felt it could deal with the subject of wages, and therefore we provided that the powers granted by the bill should be administered by the O. P. A., as the President already had the War Labor Board as an agency of the executive

branch, so that between the two he could regulate the whole thing in the interest of both agriculture and industry. I did not like that arrangement, but I voted for the bill sponsored by the Senator from Michigan. I voted for the position the President then took, over, so to speak, my own protest, because there was nothing else we could do.

But I do not believe we ought, without providing any top or bottom, to have left one thing in the discretion of an individual, no matter how fine that individual might be, and put a top or bottom on all other things, as we did with farm and industrial prices. I am glad that in the pending measure at least an approach has been made toward treating all elements of America's workday with equal justice and equal consideration.

Mr. HATCH. Mr. President, will the Senator yield? The Senator occupied a good deal of my time.

Mr. TYDINGS. I am delighted to yield to the Senator from New Mexico.

Mr. HATCH. The Senator said he voted for the original price control measure.

Mr. TYDINGS. I did.

Mr. HATCH. I had intended in my speech to say that I intend to vote for the pending measure, whether the amendment offered by the Senator from Oklahoma is agreed to or whether the amendment which the Senator from Maryland proposes to offer is agreed to, because the measure is at least a start in the right direction.

Mr. TYDINGS. The Senator from New Mexico has stated the matter well. Often here on the floor of the Senate we get 60 percent of what we want and 40 percent of what we do not want. We have to decide whether we shall let the good outweigh the bad and vote accordingly. In most cases we are criticized because there is something bad for our people in a good bill or something good for them in a bad bill. We have to do the best we can considering the larger aspects, and I know the Senator from New Mexico will vote for a price-control measure in any one of the present contingencies which now are being debated.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. THOMAS of Utah. The Senator does not wish to imply that the War Labor Board was set up on November 7, 1941, does he?

Mr. TYDINGS. Oh, no.

Mr. THOMAS of Utah. If the Senator will excuse me, that is what he said.

Mr. TYDINGS. No, that Board was already in existence. The machinery was in existence for the settlement of disputes. The President felt that he could regulate wages, and he asked the Congress to give him the authority, under certain limitations, to regulate industrial and agricultural prices. What I attempted to say was that when we went into the field of regulating agricultural prices we went into the field of regulating agricultural wages, because the price the farmer derives from the sale of his goods deter-

mines what his compensation shall be, and what the compensation of those who work for him shall be; and that it was not fair to put the farmer into that sort of a strait jacket without making the other elements of America's workday likewise come into the same arrangement.

Mr. President, I now wish to say—I hope not in a demagogic way, for I am not here today particularly to curry favor with labor or agriculture, or to play up one side against the other—that I believe that in many respects the farmer's position as of the present has been misrepresented to the people of the country. I asked the Department of Agriculture, Bureau of Agricultural Economics, to inform me as to the prices which prevailed for farm products in August 1917, and the prices which prevailed in August 1942.

August 1917 was 4 months after we had declared war on the Central Powers. August 1942 was about 8 or 9 months after we had declared war on pretty much the same countries. I shall state the prices. Some prices are a little higher today than they were in 1917, but on the whole most of the prices are lower, even though the latter date is further from the time of the declaration of war than the former.

Beef cattle, 1917, \$8.54 a hundredweight. Today, \$11.30.

Hogs in 1917, \$15.21 a hundredweight. Today, \$14.13—more than a dollar lower.

Cotton, 23.9 cents a pound in 1917. Today, 18 cents a pound; about 30 percent less today than in 1917.

Wheat in 1917, \$2.19 a bushel. Today 96 cents a bushel, or about 40 percent, in round figures, of what it was in 1917.

Eggs, 30 cents a dozen in 1917, and today, 32 cents a dozen. About the same price.

Milk in 1917, \$2.42 a hundredweight. Today, \$2.52 a hundredweight, showing not much difference.

Corn a bushel in 1917, \$1.86. Today, 83 cents a bushel. About 40 percent of its 1917 price.

Mr. LUCAS. Mr. President, will the Senator yield on that point?

Mr. TYDINGS. I yield.

Mr. LUCAS. Does the Senator believe that the price of corn today should be the same as it was in 1917? I ask that question though I come from a corn State.

Mr. TYDINGS. I am not arguing that point at all. I am simply saying, as I attempted to say when I began to read the table, that the farmer has been pictured as a profiteer, as a man who is making a fortune, and I am attempting to show that many of the prices today are a fraction of what they were in 1917, although everything else has increased in price.

Mr. LUCAS. Of course, the radio commentator, or the editor, or anyone else who pictures the farmer as a profiteer simply does not know what he is talking about.

Mr. TYDINGS. That is what I am trying to show in some of these instances, supported by pretty good facts, I think.

Mr. LUCAS. It is true that the facts do support what the Senator is saying, but what we are attempting to do, and I know the Senator will agree with me, is to control inflation.

Mr. TYDINGS. I am coming to that, if the Senator will bear with me.

Mr. LUCAS. The prices which the Senator is quoting are what destroyed the farmer in my section of the country following the last war.

Mr. TYDINGS. That is correct.

Let us come down to butterfat. In 1917 the price was 37 cents a pound; today it is 40 cents a pound. The price of cottonseed by the ton in 1917 was \$57.98; today it is \$44.04. Chickens sold for 16 cents a pound in 1917; they are 19 cents a pound today. Potatoes sold for \$1.55 a bushel in 1917. In 1942, they are \$1.15 a bushel. Lamb was 12.24 cents a pound in 1917. Today it is 12.07 cents a pound. Apples were \$1.01 a bushel in 1917. They are \$1.15 a bushel today. Oats were 67 cents a bushel in 1917; they are 42 cents a bushel today, about two-thirds of what they were worth in 1917. The price of barley in 1917 was \$1.12 a bushel. Today it is 56 cents a bushel, half of what it sold for in 1917. In 1917 rice was \$1.80 a bushel. Today it is \$1.60 a bushel. In 1917 dry edible beans were \$12.94 a hundred. Today they are \$4.45 a hundred.

In 1917 flaxseed was \$2.87 a bushel. Today it is \$2.28 a bushel. In 1917 wool was .54 cent a pound, or roughly half a cent a pound. Today it is .394 cent a pound, about two-thirds of its then value. In 1917 sweetpotatoes were \$1.25 a bushel. In August 1942, they were \$1.37.

Mr. President, if I were to read the industrial wage rates after reading that table, they would show that a great deal of criticism has been visited upon the agricultural interests of this country which the facts do not justify. Industrial wages have soared, whereas, in comparison with 1917, the cost of living is decidedly lower, on the whole, if we use the same comparison.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. TYDINGS. I shall be glad to yield in a moment.

In order to prove that point I asked the Department of Agriculture for some figures on the subject, believing that facts are the things on which we should predicate argument and decision.

In 1917 the family income in the United States was about \$1,331, and food costs were \$477. The percentage of income spent for food was about 36 percent.

In 1919, at the end of the war, the family income had risen about \$300, to \$1,617 per family, and food costs had risen to \$611 per family. The percentage of income spent for food in 1919 was 38 percent.

Let us look at the picture today. The first 4 months of 1942 show an appreciable drop in percentage of income spent for food. The figures are as follows:

In January the family income was \$2,095, and food costs were \$474. The percentage of income spent for food was 23 percent. The figures for the months from January to April show very little

change. I shall read the latest figures I have, which are for April 1942. The family income was \$2,165. Food costs were \$487. The percentage of income spent for food was 22 percent. So, whereas the family paid 36 or 38 percent for food in 1917 and 1919, in 1942 it is paying only 22 or 23 percent for food, which I think is pretty conclusive evidence that as of today the farmer is not in the same position in which he was in 1917 and 1919.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. TYDINGS. I shall yield in a moment.

It may be argued that the farmer should not be in such a good position, or that the facts do not warrant putting him in the position which he occupied in 1917 or 1919. The point I am making is that, based upon facts and not supposition, when we contrast the figures of today with those of 1917 and 1919, there is not nearly so much probability of a run-away inflation of the cost of living today as there was in 1917. For that I am grateful.

I now yield, first to the Senator from Indiana and then to the Senator from New Mexico.

Mr. WILLIS. Mr. President, I wonder if the Senator has available the table of industrial wages?

Mr. TYDINGS. I have.

Mr. WILLIS. Could the figures be inserted in the Record at this point?

Mr. TYDINGS. I do not have the figures before me at this moment.

Mr. WILLIS. Can they be inserted in the Record at this point?

Mr. TYDINGS. If I do not find them, I hope the Senator will get them. I shall be glad to have them inserted in the Record.

Let us see where the farmer stands—

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHEELER. The farmer has been accused of causing inflation. As the Senator has pointed out, the facts offer no foundation for such a charge. Take wheat, which is one of the staple crops—

Mr. TYDINGS. I had intended to use wheat as a specific illustration later. I shall do so now.

Let us suppose that a farmer has a farm of 100 acres, which is a pretty good farm. By 100 acres I mean 100 acres of good, tillable soil. He may have 50 acres of woodland or marsh.

Mr. GILLETTE. The Senator is referring to Iowa soil?

Mr. TYDINGS. Yes; Iowa soil. I do not have before me the figure of average production an acre of wheat on farms of the United States, but my recollection is that it is considerably less than 20 bushels to the acre. I think it is about 13 or 14 for the whole Nation. However, I shall use 20 bushels to the acre for illustration.

The farmer plants 100 acres of wheat in the fall of 1941, after plowing the land and preparing it. He puts fertilizer on the land, and perhaps lime, if he can afford it. He hitches a team of horses to his wheat drill and starts down the

field. Finally it is all planted. The task requires a good deal more than a week. It requires the services of more than one man to plow, break up, and prepare the seed bed, put in the fertilizer and lime, and go over it for the fourth or fifth or sixth time, finally planting the seed in the ground.

There it rests. Next June or July, depending upon the section of the country in which it is planted, the wheat matures and is cut down and shocked. If the farmer cuts the wheat with an old-fashioned combine he loses all the straw. The old-fashioned combine cuts the wheat near the top of the head. If he has a new combine, he saves the straw, which is thrown out behind the combine for the rake to gather.

In any case, the wheat must be threshed, at a cost of 5 or 6 cents a bushel. Then trucks must be sent into the field to haul the wheat from the field, and trucks or railroad trains must be employed to haul it to the place where it is sold.

When the farmer gets the wheat to market, what does he receive for it? The price of wheat is high in my State just now. I think it is about \$1.30 a bushel at the elevator. However, I believe that the figure for the whole country is considerably less than that. For the moment I shall assume that it is \$1. I think that is about 5 cents too high.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHEELER. The price of wheat at the elevators in western Montana is 85 cents a bushel.

Mr. TYDINGS. Very well. Let us take a Montana farm for the sake of argument. From 100 acres, with a yield of 20 bushels to the acre, the farmer gets 2,000 bushels. At 85 cents a bushel at the elevator or point of shipment, the 2,000 bushels of wheat bring \$1,700.

Out of the \$1,700 must come the wages of the farm labor which went into plowing and cultivating the field, the cost of the seed, which had to be treated against disease, the cost of fertilizer, and finally the cost of harvesting; and if the farmer has a very large income left out of the \$1,700 from 100 acres, he is an exceptional farmer, indeed.

The argument may be made that from the time the farmer planted his wheat in the fall until he reaped it he had nothing to do; he planted his wheat and then sat back beside the stove and listened to the radio, saying, "I wonder what those fellows in Washington are doing. They get me so mixed up with these broadcasts that I cannot follow them at all."

The farmer has wood to cut for himself and his tenants. He must maintain his roads. His fences require repairs. He must milk his cows and clean out his barn. He has plenty to do. I do not say that my illustration is an apt one, because no farmer in his right mind in my section of the country would plant his whole farm to wheat. The situation may be different in other places. I have used that assumption only for purposes of illustration. In my section of the country a farmer would diversify his planting so that his employment in agri-

cultural processes would be more constant, and not so sporadic as in the illustration which I have pictured. However, it serves the purpose of proving that there is no fortune in raising 100 acres of wheat at 20 bushels to the acre.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. AIKEN. If the farmer should plant 100 acres to carrots, he would not have any time at all to criticize Congress.

Mr. TYDINGS. If he planted it with a number of things which I might suggest, the labor operation would be greater than that in connection with wheat; and, in fairness, I think it should be said that in most cases the return would be larger. Of course, most of the farmers in my section of the country plant wheat not so much for the wheat itself as to obtain straw; because usually they have dairy farms, and need the straw for dairy-farm purposes and things of that sort. There are some farmers who go in heavily for wheat.

However, all this leads me back to the first table I read about farm wages. In my little State, which is an exceptional State in many ways, but particularly in the present war situation, we have a tremendous number of war plants. The Bethlehem Steel Co. employs probably 30,000 or 35,000 men. The Martin airplane plant employs probably 15,000 men. The Fairfield shipbuilding plant employs probably another 30,000 or 35,000 men. The Fairchild Aircraft Co. employs many thousand more men; and so I might go on enumerating the various industrial plants and their employees all over the State. In addition, because of the natural advantages and the particular situation which my State, although small, I am proud to say enjoys, we have a great many war activities, such as proving grounds, arsenals, and naval training stations.

All those things superimposed upon the farm picture have milked the labor off the farms. We cannot get away from that fact. I do not blame the men for going. They may make more money. The work is only for 8 hours a day. There are amusements when they get off from work. There are lures of all kinds. Someone may argue that the men are better off when they are on the farms. Perhaps they are.

In one of the counties of my State, Queen Anne County, the population is approximately 18,000 souls. It is a small county, but very rich agriculturally. I have on my desk in my office a page of a county newspaper containing advertisements by 12 farmers who are holding sales and going out of business because in most instances—in fact, I think in nearly all—they do not have the help required to continue farming operations.

What does all that add up to? I am not here to demagogue on agriculture, or to say that the farmer is the salt of the earth and that everyone else is a scoundrel, or vice versa; but my purpose in making these remarks is to point out that it does not take a man with great vision to see that if the condition I have mentioned goes uncorrected there will be a tremendous food shortage in this coun-

try. Then, in my humble judgment, all the laws of God or man will not encompass the food situation from the price standpoint.

I am trying to find out how we can meet that particular situation, which I hope I have described fairly accurately, although briefly, without having some dire disaster come to our people at home or to our men who are out on the firing lines and who are doing so much to uphold the standards of our Nation during these trying times.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. GILLETTE. In a few minutes it will be my misfortune to be called from the Chamber, and I shall miss the remainder of the very able speech of the Senator from Maryland. Before leaving the Chamber I should like to comment on one part of the Senator's remarks. A few minutes ago he was talking about the production of a crop of wheat on a 100-acre farm, and he spoke of the yield as being approximately 2,000 bushels.

Mr. TYDINGS. Yes; a little more than 20 bushels an acre.

Mr. GILLETTE. I desire to remind the Senator that if the farmer had taken the 2,000 bushels to a grain elevator this morning he would have been notified by the proprietor of the elevator that yesterday the price of wheat broke 3 cents on the grain exchange because of the debate on the floor of the Senate. So he would be out \$60 because of the manipulation of the market, something over which he had no control. Sixty dollars would be taken out of his pocket from the return for a year's work.

Mr. TYDINGS. I thank the Senator; and I regret to lose him, not only as one Member of a very fine audience, but because his presence, both from the standpoint of pulchritude and mentality, adds to any audience. [Laughter.]

Mr. President, what is the farmer's trouble? He would like to have a higher price for his crops, of course. Everyone who works in a war plant would like to have higher wages, of course. Those who practice medicine or those who practice law would like to have higher wages, of course; and even Congress on occasion is not adverse to granting higher wages to itself. That is natural, and cannot be allayed. When the acquisitive instinct in the hearts of men is killed there will not be any men; they will all be wearing dresses, and their hair will reach farther than their heels. [Laughter.]

What is the cause of the farmer's trouble? It may be the price of a particular product, if he concentrates too much on a single commodity; but I think that generally the movement of farm commodity prices is toward the ceilings already set, and I do not believe that at the moment the farmer is so very much concerned about losing money on what he produces. His problem is to get the help needed to produce the crop. In the pending measure there is not one provision which will cure that situation, except by a long-range process. We are moving to the point where we shall have to recognize that it is just as important

to have men working on the farms as it is to have men working in shipyards, airplane factories, coal mines, arsenals, or even on the firing lines—because a man cannot go forward into the jaws of hell on an empty stomach. We must give him the best food in the world. His task is already difficult, without having to stagger forth in a weakened condition. He is hardened. He needs plenty of good food. Consequently, the United States will require more food next year than it ever required in all its history.

It will require food for an Army and Navy of 8,000,000 or 10,000,000 men before the next year is over—and let no one think I am exaggerating the figures. Those 8,000,000 or 10,000,000 men will not be producing a thing. They will be soldiers, sailors, marines, and airmen. They will not be planting a grain of wheat. They will not be making an automobile or a farm tractor or anything else that goes into our lives. Those men will be destroying because we in the Congress have willed that they shall be sent out to destroy our enemies, those who would attack us and destroy us. Therefore we must feed those 10,000,000 men. We must produce enough food for them—food which in normal times, in less arduous undertakings, would feed 15,000,000 men; because the men in the armed forces eat more than men in civilian life eat. The young men being hardened and strengthened in the armed services will eat more than they would have eaten if they had remained home. So there alone will be a tremendous source of consumption of the food we shall produce. Then the men working in this country will have to work harder, and more people will go to work—including women. By the end of 1943, millions of women who are not now employed will have gone to work in the factories of the Nation, and they will require more food than they previously required. Furthermore, we shall have to feed England, a part of Africa, and perhaps a part of Australia, although I doubt whether much food will be needed by Australia. At any rate, our Allies must be fed. Who will do it? Theoretically, we shall have to produce twice as much food. It may not amount to exactly that figure; it may be one and a half times as much or one and three-fourths times as much; but we shall have to produce much more food with much fewer men.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WILEY. I think a question was asked sometime ago by a Member of the Senate who wanted to know what were the average hourly earnings of factory workers in 1917. In 1917 they were 31.8 cents. In 1942 they are 84.6 cents. What I desire to say to the distinguished senior Senator from Maryland is that, while he is saying that we must have more workers on the farms, I wonder if he fully appreciates that the average wage of the worker on the farm today—and by that I mean the owner of the farm—is approximately 28 cents an hour for his 80 hours a week; when in the same township with him the Government is competing by means of

factories where labor is paid \$1 or \$1.50 an hour. As a result, that influence is in the picture; and it means that besides having old men who have to give up their farms because they cannot get help, there is the interest—natural and human—for men to try to better themselves. If a Member of the Senate were working on a farm, and if men in a nearby plant were working 40 hours a week at \$1.50 an hour, what would he do? Would he still stay on the farm and take 28 cents an hour for 80 hours a week?

Mr. TYDINGS. Mr. President, I thank the Senator for the suggestion; but I must be fair to myself. I believe that what the Senator says is usually correct; but I think the body in which we sit is largely responsible for the condition he describes. Have we not been raising ourselves or attempting to raise ourselves with our own petard? What difference does it make whether wages go up to \$100 a day if they will not buy any more than what could be bought when wages were \$2 a day?

What difference does it make if after industrial wages have been raised so high agricultural wages should now be raised, and thus all the advances to labor be leveled off again? That is the process—the political, not the economic, process. It is to cater to one large group of voters and make the other group feel that it is going to get the indirect benefit of the increased purchasing power of the first group. When wages were increased, were we not told that the farmer would get the benefit because the worker would be better able to buy the farmer's milk and bread and other commodities? Certainly—and there is a degree of truth in the statement; but now we find that that has gone on to such a point that the farmer is not only not getting the share he thought he was going to get but his labor is going over to the place Congress fixed for it long ago when it sold out for a political mess of pottage. I do not mean that in a personal way; neither do I mean to cast aspersion on this institution of which I am a Member, but the truth is that we are all human and it does not hurt to tell the truth when men are ready to die for it.

So now we are going to take up the other side of the seesaw. The farmer has seen this increase and that increase, some of them occurring while this very measure is being debated. They may be just increases, for aught I know, but he does not know that. He merely sees by the newspapers that wages are going up every day, and finally he says, "Look here, am I not a part of this country, too?" That is the reason this measure is here. We are not going to cure that situation overnight; we are not going to give him the increases he thinks he is going to get by this measure because he is unorganized and he is not going to strike.

He cannot go forth and say, "If you do not make the price of wheat \$2 a bushel, I will not plant any wheat"; he cannot go forth and say, "If you do not make the price of cotton 25 cents a pound, I am not going to plant any cotton and you will not have any clothes next year." He cannot do that because he has to plant his crop from a year to

several months ahead of the time when he reaps it, and, as he does not possess the weapon of strike and the picket line, he has "two strikes" on him in a very hard baseball game in any league.

Therefore, if we really want to help the farmer and go to the root of his trouble, which is an adequate supply of labor in order to produce the superabundance of food which is necessary, we have got to call Mr. McNutt here and say to him, "Hereafter when you draft the farmer's son or take his help, you have got to weigh his value in this equation as to whether or not in taking him you will not do more harm to the ultimate war effort than you would do if you would let him stay on the farm and help the farmer." If we will guarantee the farmer an adequate supply of labor, he will, unless I am mistaken, produce the food; he has always produced it heretofore, and he will get his price, too, because a wage increase is inevitable to farm labor. We can pass all the laws in Christendom, but we cannot any more keep people on the farm, with the contrast between industrial and farm wages, than I can walk to the moon. It cannot be done.

In the last couple of months I have talked to many farmers and I have made it a business to try to find out what they are thinking about. Their ultimate and universal complaint is that they cannot hold their labor. They are selling their cows; they are going out of business.

As I said, in little Queen Anne County of 18,000 people, one whole page of a local newspaper was taken up with advertisements of 12 sales by 12 representative farmers who were selling out because they could not get the help to run the farms which they have been operating. We have got to see that they get the help they need; we have got to see that, just as men in the Army are allocated to the Air Force or the tank squad or as men are allocated to shipyards and exempted from the draft because they are indispensable, so the farmer, when he makes out a good case, shall get the help to which he is entitled to do a job without the doing of which all other jobs will fail. When such a bill comes before the Senate—and I understand work is now being done on it—and when we enact it into law, as I feel we shall, we will have gone further toward solving the farmer's difficulties by providing him with labor and safeguarding his labor supply than we will ever do by the pending measure.

Now to conclude. I shall vote for the committee amendment as modified because, in the last analysis, I believe it is more equitable than the amendment offered by my good friend from Oklahoma [Mr. THOMAS], who is certainly an advocate on all occasions of the agricultural interests, and his colleague the Senator from New Mexico [Mr. HATCH]. Why do I think it is more equitable? Because the economic system for some time past has been based in part upon parity. I do not say that the definition of parity denotes absolute equity; I do not say that in every case under it the farmer gets a square deal. Neither do I say that in every case under it the industrial

worker gets a square deal; but it was the rough measurement by which this body sought to establish as best it could, in the conflicting facts and circumstances, a degree of equity between these two economic enemies but national friends, the industrial worker and the agricultural worker—the farmer, if you please, and the industrial worker.

We do not complain that perhaps the industrial worker has been getting a little bit the best of it, and that astute labor leaders, by the mechanism provided for their use, have gotten many increases in wages, better working conditions, and many of the things for which labor has been striving for years. In our hearts we are glad to note this advance of the industrial workers of the Nation, but now we are reaching such a point that we believe the old equation has gotten out of kilter, that it is not balanced as neatly as it used to be balanced, and we see that the reason for that is that, due to conditions I have described at some length, farm labor costs have risen precipitously. I have shown that they have risen, I should say, in round figures, from 25 to 50 percent by States during the last 12 months. Very well; what does the Congress say? It says, "Mr. Leon Henderson, when you come to fix prices of agricultural products, go ahead and fix them according to the parity arrangement we have been working under all these years; but keep this in mind, Mr. Henderson, if you find that, because of increased labor costs or other costs, the farmer or the agricultural group is subject to uneconomic inequity, take that into consideration and make adjustment accordingly."

I think the farmer is entitled to that, and that is what the joint resolution, as amended, will give him. What more is he entitled to? Are we going to play politics by trying to favor one group as against another? I do not believe we are. I think we have reached a serious point in this Nation's destiny, that the best we can do is none too good, and that equity between economic forces is what we should continually strive for.

I agree with everything the Senator from New Mexico [Mr. HATCH] said about the farm problem. I disagree with his solution. He wants to change the whole equation right now in the middle of a war. We have not the time to debate it. Merely to examine into its ramifications would take months; it would require the assembling of a tremendous amount of data, a thorough study of it, and a thorough comprehension not only of the agricultural side but of the industrial side as well.

So, what have we done? Being unable to deal with that, this new factor of the increase in the cost of agricultural labor and the increase in other costs, we have ordered—for the word used is "shall"—the Office of Price Administration to make adjustments whenever in any case it appears adjustment is essential.

So I shall vote for the committee joint resolution as amended by the amendment of my good friend, the junior Senator from Kansas [Mr. REED], who is certainly no enemy to the agricultural interests, and I shall vote against the

amendment of the Senator from Oklahoma and the Senator from New Mexico not because I am out of sympathy with its general intent, but because I do not believe it is as equitable to industry as well as to agriculture as is the alternate proposal of the Senator from Kansas. Finally, the day when we make certain that the farmer's labor supply is safeguarded so that he can produce a crop, that day will we have promoted the war effort to a very great degree, and, in my humble judgment, we will have brought him a larger measure of relief than the pending amendment, good as it is intended to be, would bring him.

Mr. GEORGE. Before the Senator takes his seat, I desire to ask him a question.

Mr. TYDINGS. I yield.

Mr. GEORGE. Is the Senator referring to the amendment submitted by the Senator from Kentucky [Mr. BARKLEY]?

Mr. TYDINGS. The amendment was printed last night in the RECORD. I understand from the Democratic leader that in reprinting it there was one reprint which was in error. Three or four lines of the amendment were omitted. The amendment which was read at the desk this morning, and which was printed in the RECORD, as well as in the newspapers today, I believe is a correct copy of the amendment.

Mr. GEORGE. I shall ask the Senator about the amendment. I am much interested in it.

Mr. TYDINGS. I shall be glad to answer, so far as I can, any question the Senator cares to ask.

Mr. GEORGE. If this is the amendment, and I presume it is, I wish to call the Senator's attention to one fact. It is provided that "Modifications shall be made"—

Mr. TYDINGS. That is correct.

Mr. GEORGE. That is mandatory—"on maximum prices established for any agricultural commodity," and so forth, "in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will not reflect such increased costs."

I wish to call to the Senator's attention that I have no doubt that the construction placed upon that language will mean future increases in the cost of agricultural labor, leaving out of consideration all the increases which have thus far occurred.

Mr. TYDINGS. It is not my intention, so far as I have given it any thought, to fix any time when the amendment shall be given velocity. The amendment is proposed so that whenever a case of inequity can be clearly established, based on the reasons set forth in the amendment, it shall become a proper subject for consideration by the O. P. A., and upon being convinced that the inequity exists, it shall then move to eliminate it.

Mr. THOMAS of Utah. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. THOMAS of Utah. Let me add that the Senator from Kentucky [Mr.

BARKLEY], in explaining the amendment, said that it did not refer to any definite time, past, present, or future, that in a sense it was timeless. That is the understanding which the Senator from Utah has of it, and it is with that understanding that the amendment is acceptable to him.

Mr. GEORGE. I am satisfied it would be construed as being applicable only to increased wages, increased costs of labor, after the fixing of the maximum price.

Mr. TYDINGS. I would say to the Senator from Georgia that I do not share that view, but he may be correct, and it would not be a bad idea if he would confer with the Democratic leader, and I feel sure that if that is done, any ambiguity which might exist on that point can be eliminated.

Mr. REED. Will the Senator yield?

Mr. TYDINGS. I yield.

Mr. REED. Let me say to the Senator from Georgia that there is now present in the Senate Dr. O. C. Stine, of the Bureau of Agricultural Economics, one of the foremost authorities upon legislation affecting parity, if not the foremost. Dr. Stine told me yesterday that the formula proposed is entirely workable, and that the Bureau of Agricultural Economics, which is the governmental agency which will be called upon to furnish the detailed information required for administration, could furnish it. I asked him just now whether the proposal could be administered satisfactorily as it is written. He thinks it would be a little better and a little more definite if some date were written into it. I expect to confer with Dr. Stine later. I telephoned the Secretary of Agriculture yesterday and asked that some authority upon these matters be loaned to us for the purpose of furnishing us information during the debate. Immediately thereafter I was told that Dr. Stine would be so assigned.

This is a matter to which I think we ought to give consideration. I am very happy that the Senator from Georgia raised the question. The junior Senator from Vermont [Mr. AIKEN] mentioned it to me on the floor a while ago, and, as one of those responsible for the amendment, I do not want to close the door upon any improvement which can be made, because neither the Senator from Maryland nor I has ever made any suggestion that it was a perfect document as it stood.

Mr. GEORGE. If it is to be adopted, it certainly should specifically provide that increases in farm wages after the beginning of the European war should be taken into consideration.

Mr. TYDINGS. Without any consideration beyond the little I have heretofore given it, and what the Senator's remarks have evoked, I certainly believe it would be no more than just that the equation should start to run from the time the circumstances which occasioned the equation started.

Mr. GEORGE. It certainly should begin to run from the time of the genesis of the tremendous rise in industrial wages in this country.

Mr. TYDINGS. As I said before, and I hope I may repeat it with finality, I

have only one desire; I do not want to take from the industrial worker or the agricultural worker a thing to which either is entitled, but, by the same token, I do not want to give to either one of them any advantage at the expense of the other. So far as I am able, and so far as my conscience and ability will permit, my part in this amendment is solely to bring equity to both sides where inequity may exist.

Mr. GEORGE. I thank the Senator.

Mr. WILEY. Mr. President, the No. 1 job of America is winning this war for production, to maintain the fighting strength of our armed forces, and to keep up the morale of our civilians. That means food, clothing, and shelter. Of these three essentials, a guaranty of food is our greatest problem. In many instances the provision of shelter is provided or can be postponed or adjusted. Clothing can be worn longer patched or reused. Food, however, is consumed every day of the year, three times a day.

Because of what we now know in the light of scientific information, protective foods such as dairy, meat, and poultry products, fruits, and vegetables, are vital essentials in maintaining national strength, personal alertness, individual vision, and the general building of resistance to disease.

Such food must be provided in adequate quantities for our armed forces, our civilians, and our Allies. I cannot impress upon the Senate too strongly that any blind public policy which in any way tends to curtail these essential protective foods or which results in conditions which indirectly upset their production spells doom and national calamity.

Let us look at some facts. We have in America about 6,000,000 farm units. In my State alone we have 186,000 farm families producing dairy, poultry, and meat products, fruits and vegetables, and even hemp and tobacco. On these 186,000 family farms we are producing more than one-half of the Nation's cheese. We are producing more than one-tenth of the entire dairy output of America. Our dried-egg output, our hemp production, and our packing of canned peas lead the Nation. What I am saying for Wisconsin could be recited for other farm States with respect to production of other farm products essential to national well-being and safety.

Today in the matter of production we have cause for concern. The fact is that something is beginning to happen, something which if not forestalled now will spell national defeat later; and, Mr. President, that something which is now on the way to happen is inextricably tied up in national policy now hinging on the decision of this Congress and the President.

Do we want production of the protective foods? Do those in positions of authority want longer to muddle around in the dark listening to false propaganda? How much longer are we going to sit back in complacency viewing with pride and satisfaction only the agricultural production of 1942 in terms of crop output?

We cannot shut our eyes to the fact that the work of converting 1942's bumper crop of wheat, corn, hay, and grains into the protective foods I have described still largely remains to be done. Are those in authority so devoid of complete understanding of the critical food problem in America that they fail to realize that unless converted into milk, butter, and cheese, beef and lamb and pork, poultry and eggs those farm bumper crops are almost useless to the Nation in this hour of peril?

That, Mr. President, is the crux of the great food problem facing America, her armed forces, and her Allies. The great job of agricultural product conversion is not done by machinery alone. It is yet to be done by human beings on all the farms of this country. It has been done by careful, efficient feeding, breeding, housing, cleaning, and processing. It is being done by human beings, by farm people. I mean farm children and farm women who, in my opinion, are the greatest heroes—so far unsung, unpraised, unheard, and unwritten—that we have in America's line of production today.

They are not working 40 hours a week and looking for time-and-a-half for overtime. In my State they are working from 75 to 83 hours a week on an average, according to a work survey. They are trying to do what their sons now in the Army, Marine Corps, and Navy are doing. They are stretching their energy to the breaking point making up for the hired help which has gone to the defense plants at much higher pay. They are reaching the limit of human endurance. In fact, they are plainly wearing out.

Meanwhile, their costs of production are rising and their income has not kept pace over the past years with the income of other groups. Worst of all, today, in the face of all this, they see themselves misunderstood, yes, even maligned, in a wave of antifarm propaganda—a campaign which is misleading American public opinion, and in my opinion is designed to cover the tracks of economic mistakes and erroneous Government planning.

We now hear that to include all farm labor costs would be inflationary. We hear that it spells 112 percent of parity. The President implied in his September 7 speech that parity was a fair relationship. Let us see. Did he ever tell the public that that version of relationship between labor and industry and farmer never took into consideration the fact that such direct farm production costs as hired labor were never included? Did he ever tell the public that it gave no consideration whatsoever to the long hours of labor and management by the farmer himself, his wife, and his children? No; he never told the public that. Those who advise him, those who now raise the scare of farmers raising inflation, never told the public that, either.

I am supporting this amendment in the anti-inflation measure because I believe that it is only justice to the farmer and because I believe every fair, sound-thinking American who is given the facts rather than antifarm propaganda will agree that all farm-labor costs rightly must be considered if we are to come

anywhere near giving the American farmer a semblance of parity with his fellow man.

The President in his fireside chat of September 7 and in his present so-called anti-inflation program suggests a rather definite price limitation schedule for the farmer. Did he so specifically limit labor? No. He predicated his promises to stabilize wage rates, first of all, on definitely curbing agricultural prices. He said, "I will stabilize wages," but what is his definition of stabilization of wages? Did he give any assurance as to how he would do it? The answer is, "No."

What does wage stabilization mean in the hands of the President at this time? Can anyone tell? He has said that he would see to it in some way that the farmers would be given higher prices so as to encourage production, but can anyone tell, judging by his past performances and his labor-controlled mind, just what he will do for the farmer, or how he will stabilize wages?

If wages are stabilized at present levels he will place a burden on everyone else. Why did he not stabilize wages a year ago when the farmers asked for complete price ceilings on farm products and wages—in fact "clear across the board" on everything? Why did he not stabilize wages before labor rates went up 27 percent between the 1st of January, 1942, and the present? Even if everything were to be frozen at present levels, it would still mean a 40-hour week for one group as against an 80-hour week for another. It would mean a limitation on the man who works 80 hours, and would still define no definite limits for the man who works 40 hours, any more than to say that he will get still time and a half and double time beyond the 40-hour week.

Let us have some more facts. Agricultural product prices contribute little more than 40 percent to the ultimate cost of living. Apparently the President forgot the other 58 percent of the cost of living. Cost of living today takes only about 22 percent of the total income of workers. How, then, can anyone dare to claim that the prices which the farmer receives, or any slight increase he may obtain as a result of permitting him to include farm labor costs in parity, would result in such widespread inflation and rising cost of living as the scare headlines would lead us to believe?

Still there are those who stubbornly fight against giving the farmer who feeds the Nation a fair break. They stubbornly refuse to mention or admit that the high rates of labor have a far greater effect on living costs, as well as on the cost of capital goods, and the cost of defense materials, which are interrelated and react one upon the other.

Mr. President, we cannot block inflation by a policy which would inevitably cut production. We cannot stop inflation by attacking one small part of the cost of living. We cannot stop inflation by refusing to attack the real problems and issues. We cannot stop inflation by refusing to recognize the fairness of including all labor costs in a version of parity which, in my opinion, goes no

further than giving the American farmer what is justly his.

Mr. O'DANIEL. Mr. President, I ask unanimous consent to have inserted in the Record at this point some telegrams I have received from residents of Texas who are vitally interested in the subject under discussion.

There being no objection, the telegrams were ordered to be printed in the Record, as follows:

WACO, TEX., September 25, 1942.

Hon. W. LEE O'DANIEL:

Board of directors of Texas Farm Bureau Federation in session at Waco unanimously endorse your courageous and forthright stand for parity and justice for American farmers.

J. WALTER HAMMOND,

President, Texas Farm Bureau Federation.

FLOYDADA, TEX., September 18, 1942.

Senator W. LEE O'DANIEL,

Washington, D. C.:

This association requests your support in having the Brown-Wagner Resolution 161 amended to conform to Steagall bill.

CONSUMERS FUEL ASSOCIATION,

By M. L. PROBACO, President.

EDINBURG, TEX., September 22, 1942.

Hon. W. LEE O'DANIEL,

Washington, D. C.:

Please support Hatch-Thomas amendment to Senate Resolution No. 161 which includes farm labor in parity price.

EDINBURG CITRUS ASSOCIATION,

By W. G. KILLOUGH, Manager.

ELSA, TEX., September 22, 1942.

Senator W. LEE O'DANIEL,

Washington, D. C.:

Please support Hatch-Thomas amendment to Senate Resolution 161 which includes farm labor in parity prices.

ENGELMAN GARDENS ASSOCIATION,

By E. C. THOMAS, General Manager.

ELSA, TEX., September 22, 1942.

Hon. W. LEE O'DANIEL,

Senate Office Building,

Washington, D. C.:

We respectfully urge your support to Hatch-Thomas amendment, Senate Resolution 161. Feel its passage necessary to all agricultural interest of valley.

ENGELMAN PRODUCTS CO.,

A. L. CRAMER.

MISSION, TEX., September 22, 1942.

Senator W. LEE O'DANIEL,

Washington, D. C.:

Please support Hatch-Thomas amendment to Senate Resolution 161 which includes farm labor in parity prices.

MISSION CITRUS GROWERS UNION,

O. J. ANDERSON, Manager.

HOUSTON, TEX., September 17, 1942.

Senator W. LEE O'DANIEL,

Washington, D. C.:

By air mail today you will receive a letter signed by Lamar Flemming, Jr., the contents of which we discussed with many other interested parties. This is the time for each southern Senator to rally to the defense of the people they represent. If the present scale of wages being paid in defense plants were paid to farm labor cotton would be cheap at 35 cents per pound. We must have defense workers, also farm workers, and it's up to Congress to play no favorites.

ROBERT W. HENDERSON.

LAMPASAS, TEX., September 25, 1942.

Senator W. LEE O'DANIEL,

Washington, D. C.:

Fight for Uncle Sam first, but remember farmers, too.

DR. M. M. LANDRUM.

TULIA, TEX., September 25, 1942.

Senator W. LEE O'DANIEL,

Washington, D. C.:

Any lower price on farm products is going to depress our food-for-victory program. Laborers and farmers are leaving the farm for high-paying defense jobs. We urge that you support the issue to use labor cost in arriving at parity price on farm products.

W. T. BAGLEY,

Swisher County A. A. A.

TULIA, TEX., September 25, 1942.

Senator W. LEE O'DANIEL,

Washington, D. C.:

We urge you to support the issue allowing labor cost to be used to arrive at parity price on farm products. Defense plants and selective service are exhausting the farm labor supply. Farmers cannot compete with defense and other organizations on labor cost at the present parity price.

R. T. O'DANIEL,

Swisher County Farm Bureau.

PEARSALL, TEX., September 24, 1942.

Hon. W. LEE O'DANIEL:

We urgently request your assistance in having labor costs included in the parity formula, otherwise farmers and ranchmen will be seriously handicapped and penalized. Labor costs have doubled in the past year, a fact you must know. Farmers and ranchmen want nothing unjust, only to be treated as fairly as labor and other interests.

G. R. SANDERS,

Frio County Farm Bureau.

VICTORIA, TEX., September 23, 1942.

Senator W. LEE O'DANIEL,

Senate Office Building,

Washington, D. C.:

Rising farm labor costs becoming large factor in agricultural production, therefore urge support of amendment to include farm labor costs in parity formula. New price-control law will be administered by some agency and past experience leads us to urge that Congress fix definite limitations on power to fix farm prices.

CLAUDE MCCAN,

President, Texas and Southwestern, Cattle Raisers Association.

GALVESTON, TEX., September 23, 1942.

Senator W. LEE O'DANIEL,

Washington, D. C.:

Kindly use your efforts to have all farm labor cost recognized in computing parity price levels, as the farmer is justly entitled to this consideration.

P. G. PAULS.

ROBSTOWN, TEX., September 22, 1942.

Senator LEE O'DANIEL,

Washington, D. C.:

A representative group of Nueces County farmers assembled today unanimously went on record as to their loyalty to the President and their first primary objective was to win the war, but in order to achieve this end, they must have full parity for their commodities. At the same time, the increased cost of producing these commodities must be taken into consideration in figuring parity. We feel sure that you are doing everything in your power to see that our interests are protected.

Unless this cost of production is added to the parity figure, we feel that we might lose the war by the inability of the farmers to produce the necessary food and fiber.

B. T. PARR,

Chairman, Nueces County Farm Bureau Federation.

NEW YORK, N. Y., September 22, 1942.

Senator LEE O'DANIEL,

United States Senate,

Washington, D. C.:

In the interest of not only the American farmer but especially our country I hope you

will support agricultural leaders in the Senate in their efforts to have the formula in the price-control bill include equitable cost of farm labor. Believe you will agree this is not only simple justice but, what is more important, is essential for full and adequate agricultural production that is vital to our national defense and war program. Also as we know adequate agricultural production is the best protection against runaway inflation. Best wishes.

ROBERT HARRISS.

SONORA, TEX., September 22, 1942.

Senator W. LEE O'DANIEL,

Senate Office Building,

Washington, D. C.:

We understand Senate Joint Resolution 161 provides for inclusion of cost of farm labor in calculating parity on farm prices. We strongly urge the inclusion of such a provision. It is practically impossible to secure ranch labor at any price.

TEXAS SHEEP AND GOAT

RAISERS ASSOCIATION,

FRED T. EARWOOD, President.

AUSTIN, TEX., September 22, 1942.

Senator W. LEE O'DANIEL,

Member of Congress,

Washington, D. C.:

In behalf of Texas farmers I urge you give pronounced support to bills pending in Senate and House which provide that increased cost of farm labor and increased cost of industrial things farmers must buy be considered and tabulated in new parity price formula. Unless farmers receive prices which will enable them to pay wages that will attract labor to the farms, agricultural production will decline to a point which will jeopardize our national defense program. Passage of the amendment vitally important to welfare of our Nation. Farmers are patriotic and must have congressional action giving definite insurance that parity price formula will enable them to secure labor vitally necessary for adequate production. Regards.

J. E. McDONALD,

Commissioner of Agriculture, State of Texas.

WASHINGTON, D. C., September 23, 1942.

Hon. W. LEE O'DANIEL,

Washington, D. C.:

United Dairy Farmers, Division District 50, United Mine Workers of America, presented the case in behalf of our farmers to the Congress through its respective committees urging the inclusion of all costs of production, including the cost of labor in determining minimum farm prices. This is absolutely necessary to enable farmers to compete in the labor market for available labor to produce the food to win the war and write the peace. Parity prices, not including cost of labor, would force farmers to produce at wages from \$3 to \$6 per week. In behalf of the farmers affiliated with district 50 we respectfully urge your support of proposed amendments to include the cost of all labor used in farm production in the calculation of parity prices. It seems to us that we as a nation can honorably do no less.

O. E. GASAWAY,

President, District 50,

United Mine Workers of America.

DALLAS, TEX., September 24, 1942.

Senator W. LEE O'DANIEL:

Anyone familiar with the factors making up parity for the producer and anyone familiar with the pay checks of labor in industry today cannot but be disgusted with the antics of both Houses and the price and wage legislation bills now being considered. Indicated action by your branch of Congress is revolting to a large percentage of your constituents, and while I do not know your posi-

tion, I want to urge you of the legislative branches of the Government to exert your maximum influence not only to stop these grabs but to assert yourselves in an effort to influence ironclad bills governing both prices and wages with no leeway left to anyone.

JACK P. BURRUS.

GARLAND, TEX., September 23, 1942.
Senator W. LEE O'DANIEL,

Washington, D. C.:

I have farms in Dallas and Collin Counties and a gin in Collin County and respectfully request that present labor and material cost be considered in fixing farm-products prices.

G. E. DREWERY.

MEMPHIS, TEX., September 22, 1942.
Senator W. LEE O'DANIEL,

Washington, D. C.:

Strongly urge you use your influence have included equitable cost of farm labor in parity formula in price-control bill. Fear many farms this territory must lie uncultivated and present crops unharvested because of scarcity of farm labor brought about by inability farmers to compete with high Government and industrial wages now being paid labor.

J. H. MORRIS.
J. A. WHALEY.
J. D. SHANKLE.
CLYDE FOWLER.
E. N. HUDGINS.
H. E. TARVER.

ROBSTOWN, TEX., September 23, 1942.
Senator W. LEE O'DANIEL,

Washington, D. C.:

Attitude of administration toward increased farm-labor cost seriously endangering agriculture and war efforts. Attitude of labor due to scarcity lowering quality of agricultural products, thereby lowering price farmer receives 25 to 40 percent under present parity. Please write into law mandatory provisions of equal protection to all.

W. C. NEWELL.
D. H. HARPER.
J. B. KNIGHT.
HAYDEN PERRY.
ROY DENNIS.

MEMPHIS, TEX., September 23, 1942.
Hon. W. LEE O'DANIEL,

Senate, Washington, D. C.:

Understand farm-parity bill will be voted on soon. Urge you do everything in your power to have included equitable cost of farm labor. It is almost impossible to hire farm labor here at twice last year's levels. We averaged about 13 cents per pound for our United States cotton here last season, and at present levels we will average 16 cents, provided we can get pickers enough. Should we have to sled our cotton, we won't average over 12 cents per pound.

M. C. ALLEN.

DEVERS, TEX., September 22, 1942.
Hon. W. LEE O'DANIEL,

Senate Office Building,
Washington, D. C.:

We urge you to support amendment to price-control bill, which would include cost of farm labor in parity formula.

AMERICAN RICE GROWERS
COOPERATIVE ASSOCIATION.

DALLAS, TEX., September 22, 1942.
Hon. W. LEE O'DANIEL,

Senate Office Building,
Washington, D. C.:

Am of opinion parity formula should be amended to include cost farm labor and further there should be no law fixing maximum price farm products without similar law applying wages. Sincerely hope you agree. Regards.

MARC ANTHONY.

BEAUMONT, TEX., September 22, 1942.

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.:

We urge you to support amendment to farm bill with parity including farm labor.

AMERICAN RICE GROWERS
COOPERATIVE ASSOCIATION,
A. H. BOYT, President.

WESLACO, TEX., September 22, 1942.
Senator W. LEE O'DANIEL,

Washington, D. C.:

Weslaco Farm Bureau requests that you support measures designed to include labor costs in any plan to stabilize prices farm products. Labor most important item producing fruits and vegetables. Unsettled condition regard to labor outlook causing abandonment thousands of acres of irrigated valley land and sale of many dairy herds.

M. C. MARSHALL, Secretary.

ATHENS, TEX., September 23, 1942.
Senator W. LEE O'DANIEL:

Request support inclusion farm labor in arriving parity farm prices. Favor ceilings on all labor and farm prices.

RAYMOND ROBBINS.

HILLSBORO, TEX., September 23, 1942.

W. LEE O'DANIEL:
I urge your support new farm parity including cost of farm labor.

H. E. CHILES.

EAGLE LAKE, TEX., September 22, 1942.

Hon. W. LEE O'DANIEL,
The United States Senate,
Washington, D. C.:

Our labor cost doubled over last year, urge you to support amendment to price-control bill including the cost of farm labor figuring parity formula.

DAVID WINTERMANN.

MCALLEN, TEX., September 22, 1942.

Sensor W. LEE O'DANIEL,
Washington, D. C.:

Will appreciate your support Hatch-Thomas amendment, Senate Resolution 161, including farm labor in parity price.

E. W. LINNARD, Manager.
MCALLEN CITRUS ASSOCIATION.

EDCOUCH, TEX., September 22, 1942.

Hon. W. LEE O'DANIEL,
Washington, D. C.:

We solicit your support on Hatch-Thomas amendment, Senate Resolution 161. Believe this amendment necessary to the best interest of this section.

TEXAS INDEPENDENT CITRUS
SHIPPERS ASSOCIATION.

MISSION, TEX., September 22, 1942.

Sensor W. LEE O'DANIEL,
Washington, D. C.:

We urgently request that you support Thomas amendment to Senate Resolution 161.

TEXAS CITRUS FRUIT GROWERS EXCHANGE.

WESLACO, TEX., September 22, 1942.

Sensor W. LEE O'DANIEL:
Please support Hatch-Thomas amendment to Senate Resolution 161 which includes farm labor in parity price.

E. L. PIKE,
RIO GRANDE VALLEY CITRUS EXCHANGE.

WESLACO, TEX., September 22, 1942.

Sensor W. LEE O'DANIEL:
Please support Hatch-Thomas amendment to Senate Resolution 161, which includes farm labor in parity price.

WESLACO CITRUS ASSOCIATION,
CLELL SOLETH, Manager.

HARLINGEN, TEX., September 22, 1942.

Sensor O'DANIEL:
Please support Hatch-Thomas amendment to Senate Resolution 161, which includes farm labor and parity price.

KONRAD KELLEY,
Manager, Stuart Place Citrus Association.

HARLINGEN, TEX., September 22, 1942.

Sensor W. LEE O'DANIEL,
Washington, D. C.:

Please support Hatch-Thomas amendment to Senate Resolution 161, which includes farm labor in parity price.

H. W. GUDMANSON,
BAYVIEW CITRUS ASSOCIATION.

FORT WORTH, TEX., September 22, 1942.

Hon. W. LEE O'DANIEL,
Congress of the United States:

To aid necessary production of agricultural products urge the support of amendment to Joint Resolution 161, which provides inclusion of all farm labor costs as one factor in figuring parity.

A. A. WRIGHT,
NATIONAL FINANCE CREDIT
CORPORATION OF TEXAS.

FORT WORTH, TEX., September 22, 1942.

Hon. W. LEE O'DANIEL,
United States Senate:

Many livestock producers favor the inclusion of labor costs as a factor in figuring parity. Urge your support Senate Joint Resolution 161.

A. K. MACKEY.

DONNA, TEX., September 22, 1942.

Sensor W. LEE O'DANIEL:
Please support Hatch-Thomas amendment to Senate Resolution 161, which includes farm labor in parity price.

DONNA CITRUS ASSOCIATION,
C. O. PETERS, Manager.

DALLAS, TEX., September 24, 1942.

Hon. W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:

Dallas County Farm Bureau urges you to use your power and influence to have included in price-control bills now before Senate and House definite ceilings on wages at comparable levels with ceilings on farm prices and insist that price ceilings on agricultural commodities must not be placed at less than parity prices, such prices to be adjusted to cover all increased labor costs. We favor raising farm price support from 85 percent to 90 percent of parity.

DALLAS COUNTY FARM BUREAU
FEDERATION,
L. R. VAUGHAN, President.
JOE BROWN,
Executive Secretary.

H. R. DANIEL, Vice President.
MARY P. CAMP,
Secretary Treasurer.

MEMPHIS, TENN., September 23, 1942.

Hon. W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:

National Cotton Council just completed survey current cotton farm-labor costs. September 1942 labor costs 261 percent of same costs 1940.

Bureau of Agricultural Economics estimates cost production 1940 crop 9.6 cents per pound lint cotton. Using Bureau of Agricultural Economics formula and applying increases in labor and other costs prevailing September 1942, cost production 1943 and subsequent crops will be increased to approximately 21.5 cents per pound lint cotton, based on preceding 10-year average yield, assuming

pending legislation freezes all labor and other costs at current levels.

Cotton production cannot be maintained unless these facts are recognized. Strongly urge your support of amendment requiring inclusion farm-labor costs in calculating parity price.

OSCAR JOHNSTON,
President, National Cotton Council.

JACKSONVILLE, TEX., September 23, 1942.
Hon. W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:

The farms of Cherokee County ask you to consider wages in setting price levels on farm products. Production will be low otherwise. Labor leaving farms for higher wages.

J. P. DUNNAM,
Secretary, Cherokee County Farm
Bureau.

TAFT, TEX., September 23, 1942.
W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:

The San Patricio County Agricultural Association with a paid-up membership of 509 members respectfully urge you to support amendments to the pending farm bill seeking to include farm-labor costs in arriving at parity prices for agricultural products and increasing the commodity loan value from 85 to 90 percent. We also urge that simultaneously with the placing of ceilings on farm prices that a ceiling also be placed on labor.

MILLER HARWOOD, President.

HOUSTON, TEX., September 21, 1942.
Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:

Strongly urge that the anti-inflation bill should definitely instruct the President to make adjustments in the present parity prices for increases in farm-labor costs. Cotton production will be seriously curtailed if farmers' labor costs are limited through price ceilings to 1939 labor costs of 11 cents an hour and 75 cents a hundredweight for picking, as compared to 30 cents and \$2, respectively.

J. M. LOCKE.

WACO, TEX., September 19, 1942.
Hon. LEE O'DANIEL,
Senator from Texas,
Senate Office Building:

Cotton price parity calculations generally overlook the materially advanced cost of production. Even the inclusion of the advanced cost of hourly wages does not adequately compensate for the increased cost to the grower. Practically all comparative products have been immensely cheapened in their production cost by the far-reaching use of labor-saving devices. Cotton cultivation, on the other hand, with exception of plowing, does not lend itself to the use of mechanical implements. Chopping and picking are still out-and-out manual performances. Picking alone consumes today about one-third of the price paid to the farmer for the lint. Correct evaluation of these changes calls for a price structure fully 40 to 50 percent above present price levels. Prices lower than this do not yield to the farmer anything like a true parity income. Office of Price Administration is misinformed when they point to the present large crop with the assertion that cotton prices constitute ample remuneration for the producer. Office of Price Administration overlooks completely that farmers are a conservative lot who make changes slowly. But there is no doubt that hired labor and even landowners are now deserting farms in countless numbers. Many fields will not be worked or at best poorly worked next season and thereafter. I am convinced the 1945 food and lint supply will be insufficient for

Army and civilian need—a condition the Government will not be able to correct for years thereafter, even with a generous about face from their inadequate present farm policy. I am also wiring Senator CONNALLY and Congressman POAGE. Kindest regards.

G. H. PAPE.

AUSTIN, TEX., September 23, 1942.
Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:

We urge that price-control regulations in Joint Resolution 161 be confined to Interstate Commerce Act and Commission, and if further regulations are necessary under present national policy that administration thereof be assigned to Interstate Commerce Commission to prevent confusion resulting from supervision by more than one body.

LYNN B. SHAW,
Manager, Texas Motor Transportation Association.

KILGORE, TEX., September 22, 1942.
Hon. W. LEE O'DANIEL,
Senate Chamber, Washington, D. C.:

We should like to have the following paragraph included into the pending emergency legislation giving the President broader powers over price fixing: "Provided, however, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a fair and reasonable margin shall be allowed for such processing."

WICKHAM PACKING CO.

MARSHALL, TEX., September 22, 1942.
Senator W. LEE O'DANIEL,
Washington, D. C.:

Draft regulations must be relaxed or the Nation's poultry and egg requirement will fall far below production expected of us. Our farms income represents gross income net not as in labor. This should be considered in establishing ceilings.

J. W. TALLENT HILLBILLY HATCHERY.

WAXAHACHIE, TEX., September 22, 1942.
Senator W. LEE O'DANIEL:

This community proud of your speech of yesterday. Cotton pickers getting as high as one fifty for picking and average price of cotton 17 cents. Young farmers leaving farms and going to defense jobs. The going may get rougher but we know you will fight for us.

W. D. ANDERSON.

EL PASO, TEX., September 23, 1942.
Senator W. LEE O'DANIEL,
Washington, D. C.:

I express sentiment of many constituents in saying amen to your recent speech in Congress. Stay on the firing line. We are counting on you.

JAY T. KENNEDY,
Route 2, Box 243K, El Paso, Tex.

FORT WORTH, TEX., September 22, 1942.
Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:

Approve your stand that Congress should fix prices and not delegate the authority to the bureaucrats. The only decent hearing we oil producers ever got on prices was before Senators O'Mahoney and Hatch's committee at Midland, Tex., August 28. We are also against gasoline rationing in Texas.

P. C. DEAN.

HOUSTON, TEX., September 22, 1942.
The Honorable W. LEE O'DANIEL, Senator:

I have endeavored to convince myself that our war efforts have been progressing satisfactorily but unfortunately I can no longer

hold to this opinion. To insure victory and maintain our American system of government I am fully convinced that our legislative bodies must reassert their legislative powers and fix wages, salaries, and farm prices, thus forcing the administrative branch of our Government to perform the duties originally provided for in our Constitution and removing from this office all politics. Congress itself must accept the political consequences of all its acts as originally contemplated in our American system of government. To further implement these acts it must take complete control of all manpower for no battle could be won if each soldier could negotiate the terms or the position under which he would agree to fight a battle.

E. E. DILLMAN.

WAXAHACHIE, TEX., September 23, 1942.
Senator W. LEE O'DANIEL,
Washington, D. C.:

We sincerely feel that Congress should freeze farm prices at parity and wages at a comparable level. Urge immediate action on both in same bill.

T. W. BURLESON & SON,
Waxahachie, Tex.

HOUSTON, TEX., September 23, 1942.
Senator W. LEE O'DANIEL,
Washington, D. C.:

We earnestly urge that you support the amendment to price-control bills which would include costs of farm labor in parity formula. We are faced with a shortage of labor and an increase in wages. We have about 10 percent enough laborers and an increase of wages from 1.50, which we have paid over a long period of time, to 4.50 now. It would be ruinous to us if these conditions continue to prevail.

AMERICAN RICE GROWERS COOPERATIVE
ASSOCIATION (HOUSTON DIVISION),
L. C. TROUSDALE, President.

JACKSONVILLE, TEX., September 23, 1942.
W. LEE O'DANIEL,
Member of Congress, Washington, D. C.:

Unless wages be taken in account in setting price ceiling of farm products there will be great acreage idle in Cherokee County next year.

WILL A. LEWIS,
Chairman, Land Use Planning.

WINNSBORO, TEX., September 23, 1942.
Senator W. LEE O'DANIEL,
Washington, D. C.:

Farmers in this section want the cost of farm labor included in the calculation of parity.

O. M. THOMAS.

BERTRAM, TEX., September 24, 1942.
Hon. W. LEE O'DANIEL,
United States Senator, Washington, D. C.:

The Burnet County Farm Bureau Federation request that you support the parity price bill, also farm labor.

E. BABE SMITH,
President, Burnet County Farm
Bureau Federation.

W. JONES,
Secretary and Treasurer.

DALLAS, TEX., September 24, 1942.
Hon. W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:

Your constituency expects you to cooperate fully in the efforts of the administration to control living costs and curb inflation, and it expects you to resist every effort of all selfish pressure groups seeking to defeat such control. Action of the House is reprehensible and alarming.

C. W. BOLLER.
LELAND BRECKENRIDGE.

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Northeastern Poultryman for March 15, 1942, entitled "It's a Poor Rule."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:—

[From the Northeastern Poultryman of March 15, 1942]

IT'S A POOR RULE—

The theory of parity is justice. Yet in its application is doesn't always work out that way.

Let's illustrate with a parable. My father used to tell a story of a roadside merchant who prospered selling an "economy combination specialty." It was a horse and rabbit dish which he advertised 50-50 horse and rabbit. But when someone checked up he was honest enough to explain the economics by saying, "One horse, one rabbit; isn't that 50-50?" And it was. He was working on one theory of parity.

Now the poultry industry today is facing just such a ridiculous situation. We have an arbitrary parity based on a theoretical series of costs. We have developed from this a theoretical support point of 85 percent of this parity. From the practical point of view this is plain bunk, for it just doesn't work. In order to keep our poultrymen in business the United States Department of Agriculture officials already have to put their hands over their eyes and support prices up to 99 percent of parity.

Here's what I find out when I look behind this particular "horse and rabbit" counter. First, it professes a recipe which guarantees a parity figure for poultry. That's fine, but let's peek at what goes into the kettle. We all know that on the farm about one-half the total cash called for in producing poultry and eggs is feed. We also know that now all the feed growers have a parity ambition of their own, and are well enough organized politically to keep it as high as possible. This should mean that the upward price movement of feedstuffs would automatically advance the parity prices of poultry products. Poultrymen are concerned over this because, as I have already noted, feed accounts for about one-half the poultryman's cost of production. But, where does all this fit in the parity cookbook?

In this cookbook lies a dangerous joker that should get the prompt attention of every organization of commercial poultrymen. If it is not corrected, it spells ruin, for in this parity formula the industry faces a profiteering progression that cannot be stopped or avoided except by a basic change. It is, as mathematically fixed, and as deadly as compound interest in reverse. We all know how a \$10-a-ton advance in feed prices affects poultry profits. Unless the producer can similarly advance his prices enough to equal this advance in one-half of his cash costs, he is licked. Washington seems to forget the poultryman is a farmer, too, and to him feed is just another of the items he buys. The poultry parity formula is supposed to protect him against new burdensome advances in the careful selection of items that go into their parity index and the relative values that they give these different items. On this theory I have no kick.

But does this happen? No. I feel that the importance (which economists call "the weight") given to changes in the price of feed should equal 50 percent of the total values (or weights) used in setting up the parity for poultry. This is because feed equals 50 percent of the poultryman's total costs. But the Government pencil sharpeners didn't figure it that way. They give feed price changes an importance of less than 20 percent of what the poultryman buys. This is where

the horse-and-rabbit idea comes in. It means that in spite of a 50-50 cost value, as set by the voice of experience, the parity boys really set poultry prices on worse than an 80-20 basis. Since 50 percent (which is what the value should be) is more than two and a half times the figure used by the Government, this means, further, that only about 40 percent of any advance in feed prices can be used to correct poultry parity prices. In other words, for each time feed prices advance \$25 a ton less than \$10 of that advance can be used to move up our protective poultry parity.

What's the answer? I know it is a difficult subject to explain in simple language, but it is one that demands your own immediate study. Of course, you can coast along until spiraling feed prices gradually close out the commercial poultry flocks of the Northeast. That's one answer. Perhaps a better one would be to get your organization on the job and by supporting NEPPCO start at once to get a special poultry formula for poultry. It can be done. I don't think the U. S. D. A. willfully intends to injure us any more than I believe poultrymen willfully intend to appear stupid. This is just a case of doing something now or deny that Pearl Harbor taught a lesson. It's all right to eat horse meat if you wish to; but if you think you're still getting rabbit, it's time you checked up and found out. Otherwise the local sheriff may some day tell you.

Mr. LEE. I suggest the absence of a quorum.

Mr. REED. Mr. President, will the Senator from Oklahoma withhold the suggestion for a moment?

Mr. LEE. Does the Senator desire to put something in the RECORD?

Mr. REED. I wish to refer to the colloquy I had with the Senator from Georgia.

Mr. LEE. I intended to ask for a quorum.

Mr. REED. Let me make my statement; it will take but half a minute.

In the colloquy with the Senator from Georgia I did not wish to fix the date, as one of the authors of the amendment, because it has been the subject of conference and consultation. I do not object to the fixing of a date; I am inclined to think it would be advisable to do so, but that is not a matter which any one man can settle today. It is a question for conference and discussion and agreement.

Mr. LANGER. Mr. President, I wish to read into the RECORD at this point two telegrams sent to me urging my support of the pending amendment to the joint resolution. The telegrams are as follows:

BISMARCK, N. DAK., September 23, 1942.

HON. WILLIAM LANGER:

As official representative of all the farmers of North Dakota, I urge you to support proposal to amend parity formula in price-control bill, including cost of farm labor. Agriculture needs and is entitled to this protection to be on par with other industries. Have message read in RECORD.

MATH DAHL,
Commissioner, Agriculture and Labor.

MINOT, N. DAK., September 23, 1942.

HON. WILLIAM LANGER,
United States Senate,

Washington, D. C.:

We strongly urge you to support the Hatch amendment to present pending price-control bill. We believe that in order to establish a just parity on agricultural commodities it

is absolutely necessary to include agricultural labor in the base.

NORTH DAKOTA STOCKMENS ASSOCIATION,
L. E. ARNDT, Secretary.

Mr. LEE. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Overton
Andrews	Guffey	Pepper
Austin	Gurney	Radcliffe
Bailey	Hatch	Reed
Ball	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Russell
Bone	Holman	Schwartz
Brewster	Johnson, Calif.	Shipstead
Bridges	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Truman
Chandler	McKellar	Tunnell
Chavez	McNary	Tydings
Clark, Idaho	Maloney	Vandenberg
Clark, Mo.	Maybank	Van Nuys
Connally	Mead	Wagner
Danaher	Millikin	Wallgren
Davis	Murdock	Walsh
Downey	Murray	Wheeler
Ellender	Norris	White
George	Nye	Wiley
Gerry	O'Daniel	Willis
Gillette	O'Mahoney	

The PRESIDING OFFICER. Eighty-nine Senators having answered to their names, a quorum is present.

Mr. BILBO. Mr. President, I send to the desk a telegram sent to me by the board of directors of the Mississippi Farm Bureau, urging support of the pending Thomas amendment, and I ask that the telegram be read.

The PRESIDING OFFICER. The clerk will read.

The Chief Clerk read as follows:

JACKSON, MISS., September 24, 1942.

HON. THEODORE G. BILBO,

United States Senator,

Washington, D. C.:

In order to prevent a serious food shortage resulting from the exodus of labor from farms and the movement of farm owners from their land, we urge you insist price-control legislation require that price ceilings on agricultural commodities must not be fixed at less than parity prices adjusted to cover all increased labor costs. We also urge a definite ceiling for wages at comparable levels with the farm-price ceiling and that the loan rate be increased from 85 to 90 percent of parity price adjusted for all increased labor costs.

BOARD OF DIRECTORS,

MISSISSIPPI FARM BUREAU FEDERATION,
RANSON E. ALDRICH, President.

Mr. PEPPER. Mr. President, you will recall that one day in speaking to his disciples, there fell from the lips of the Master these words: "For whosoever will save his life shall lose it: but whosoever will lose his life for My sake, the same shall save it." That certainly must have seemed a paradoxical utterance to those who emphasized the natural principle that self-preservation is the first law of life. All of us are affected most by those things which most intimately touch us; so it is a perfectly natural obligation for one to think duly and justly and fairly of one's own interests.

Yet I think if there ever were a time when it is appropriate to recall the assurance that in sacrifice there may come great reward, that time is now. In fact, this whole tragic dilemma, this conflagration which threatens to engulf the whole earth, may fairly be attributed to the violation of that principle of unselfishness to which I have referred.

It was neither the eyes nor the ears of the peoples of the earth, the citizenry of the democracies, which were incapable of perceiving the approach of this menace. It was not physical blindness, Mr. President; it was spiritual selfishness which has thrust upon us this monster which today gnaws at our vitals.

This colossal Hitler was not so mighty in the spring and summer of 1933. He was no giant in 1934. He had become no world conquerer in 1935. He was no irresistible danger in 1936. He was not dominant in 1937. Even in 1938 his pride and vanity were pricked by the resistance which was offered by Czechoslovakia—not a great nation in numbers. During all those times of his expanding power he was constantly surrounded by superior strength in people and the things with which war is made.

However, the difference between him and those around him was very material, for his was an irresistible determination to conquer, and the spirit of those who were around him, who were already earmarked as his victims, was one of selfish shortsightedness. Each Nation knew that the day of war with Hitler would come, for no free people could live in the world where his ideology should prevail, but every country, softened by selfishness, preferred to let some other gallant soldiery fight its war. Nearly all of these governments were willing—yes; anxious—to see Hitler stopped, but they did not want to stop him with their blood and treasure. It was a great deal easier to let somebody else do it while they preserved their goods and their men and thought they were preserving their old—often indolent—ways of life.

So, Mr. President, one after another the selfish nations who would have saved their lives without sacrifice lost them, and we have run a great risk ourselves, not yet passed, for the same reason. Great nation after great nation fell in the dust, nationally decapitated, under this cruel, conquering sword, because they followed the policy of selfishness and not the policy of daring unselfishness.

In private life we have seen the same thing occur. Many men who would vault to power upon the broken economic bodies of their fellowmen have at last, as the result of a policy of selfishness, found themselves the victims of mighty forces which they had unleashed and were unable to control. The mighty movement of which we in this Nation have been a part in the past few years is but the reconstructed wreckage of an economic system which the selfish of our number brought about. It is rather remarkable, Mr. President, that a man was great enough, in the person of President Franklin D. Roosevelt, to hold from the throats of the many culprits the avenging

fingers of a population whose indignation might have taken all that they had.

After all, we are learning in these hectic trying days that the One who walked humbly around the shores of Galilee and over the Palestinian hills may have spoken wiser than we often thought or dared to recognize. We are constantly presented with that challenge—constantly taxed by the difficulty of embracing the larger point of view and gaining the reward which we are told upon that authority comes from spending one's self unselfishly.

Mr. President, at last we are engaged in the most gigantic, colossal, and horrible contest to which man has ever been a party. It has no limitations geographically or in spiritual and physical scope. It is man's first world war; and compared to this, that which is called the First World War was like Indian fighting compared to the holocaust of the Civil War in our land. In every area of the earth, in every theater where men may penetrate, in every land, clime, and country, men are fighting; men, women, and children are sacrificing; futures are being destroyed; and the scythe of death is taking its daily terrible toll.

Yesterday afternoon I was permitted, with others, to behold one of the strange paradoxes which this war has thrust up. A young woman about 25 years of age, well educated, cultured, having looked forward to a creative and useful life in a growing civilization, in what she had reason to believe would be a better world, has now been officially recognized as having, with her own sharp eyes, her own delicate and sure fingers, and her own steady courage, taken the lives of more than 300 men of an enemy army—a woman, Mr. President, turning from the refinement which is associated with the delicacy of woman's life to be a heroine in death upon the battlefield. This is indicative of how man's world has been overturned, his good lands drenched with blood, and the fragile flowers of his civilization tainted with the touch of odious things.

Mr. President, I was pleased to see in the morning newspaper a word of admonition from one of the Assistant Secretaries of the Navy. He said:

We are still losing this war.

He who cannot see it is blind.

Mr. President, I think Hitler can today look upon the earth and its probable conquest with more satisfaction than ever before in all his arduous struggle to the pinnacle of power. If we substitute facts for wishful thinking in a critical examination of the war, every man, woman, and child will sense shuddering in his heart; for today, with a reservoir which includes not only the people with whom he fought 4 years of world war, and their territory, but all of Europe and a part of other lands, with 200,000,000 or more enslaved people, with all their industries, their farms, their technique, and, I regret to say, in too many cases their willing toil, and with the genius with which the devil has blessed him, he turns upon the earth the greatest danger it has ever experienced or confronted. Today he hovers over the ancient land

of the gallant Russians, ready, like a great vulture, to tear it to pieces, without thought of sacrifice or cost.

The winter which destroyed the great Napoleon seems but to have given succor and renewed strength to this devil. We see no Hitler fleeing from the steppes of frigid Russia with his tattered army of 10,000 out of a grand army; no conqueror reduced to the stature of a fugitive. Not Hitler. He is not fleeing from the soil he has devastated and the people he has murdered, but reaching out his sinister arms to grasp yet greater booty for his insatiable lust.

We know from daily dispatches that he has severed the rail lines of communication between the Caucasus and the northern part of Russia. We know that he stands veritably astride the Volga. We know that he has deprived the Russian forces of the various minerals and metals in the Caucasus, the principal one of which, according to Mr. Leonard Replogle, chief of steel in the War Industries Board in the World War, has been manganese. We know that he has cut off Russia from its Caucasian oil reserves. We have reason to doubt whether Russia has been able to supplant them by other production or whether she has been able to get the critical materials which might have made possible the exploitation of the oil reservoirs which she has. With the Ukraine gone, we know how serious is the doubt as to whether Russia may be fed from its own soil. We know that as the armies of Hitler have penetrated into Russia the Russian population has steadily and inevitably diminished, and that Russia is no longer Russia. Russia is an emasculated land, a partitioned territory. Behind the Urals there may not be more than thirty or forty million people.

With their oil reserves cut off, with their transportation system to those rich areas destroyed, with even their rivers blocked by the enemy, with their agricultural lands taken away, with the nation half its former self, how long will even gallant, heroic, sacrificial Russia, whose epic is not surpassed in grandeur by any in human history, be able to stand with what aid is now apparent for her assistance?

So, Mr. President, it is conceivable that the mighty force of Hitler will slash across the Caucasus and into the Near East, and finally will pinch off and make a Hitler sea of the Mediterranean; that he may finally add to his areas the rich Valley of the Nile, and then gain the oil resources of the Near East. Then we can imagine his force divided into two prongs. One would penetrate to the West Coast of Africa, where his submarine bases will be established in greater number than probably they are now, and where will be based his bombing planes to blast the narrow South Atlantic, at that point 1,800 miles wide. We can envision his purpose to lay a great network of bombardment and destruction which would make those waters perilous or unusable by the ships of the United Nations.

Furthermore, we can imagine his always offensive strategy reaching across that narrow body of water, bringing the war to us in South America, his agita-

tion first preparing the way for the coming of his regular forces. Then we should be fighting not a great deal nearer home than would be from his principal bases.

Mr. President, I am sure that no one who senses the historical aspiration which dominates a Hitler, a Napoleon, or an Alexander can fail to perceive that it is his inevitable purpose, which means much to him, to go along the route which conquerors have trod for ages past, until one day his green-clad legions shall march across the parched plains of old India, and he shall be able to say, as did Alexander, that he had marched from Macedonia and Libya to India and sat astride that oriental luxury which has been a challenge to every conqueror's eye and heart. Can anyone imagine Hitler stopping short of the grand, romantic East? Not particularly, in view of the fact that no doubt Genghis Khan has had more influence upon Hitler's career than has perhaps any other historical character.

Mr. President, therefore we face the real prospect that by Christmas, Hitler will be across the Caspian and on the way to India. I do not know whether it is true, but I have heard it said in Washington, by people who may know, that Hitler requested the Japs not to enter India from their side until he was ready to penetrate from his. That is not an improbable story. I can imagine how lurid an attraction to both are the riches of India.

Mr. President, if Hitler should achieve such reasonably possible aspirations with his ruthless friends, could anyone calculate the power he would possess? If he got all of those three continents—the world islands of Europe, Asia, and Africa—he would have seven-eighths of the people of the earth, he would have twice as much land area as there is in all the other land portions of the earth put together, and he would have a volume of critical and strategic materials the like of which is not in the other parts of the earth.

Mr. President, we should see him sitting there upon his bastion, behind his fortresses, his planes reaching out over every sea like hungry vultures, and his serpentine submarines squirming, piercing, roving into every part of the waters of all the seas, and with his giant guns menacingly pointed toward every possible access. With all those resources marshaled by Hitler—German organizing skill and German thoroughness the base, and Hitler's genius the apex of that colossal, miraculous pyramid of power—imagine the poor conquered peoples, weaponless, even without the means of making weapons, driven like moles into the earth to their rendezvous of temporary safety, scourged to their dungeons and their infested cots.

Mr. President, a starved, broken-hearted, broken-spirited, enslaved, subjugated Europe, Asia, and Africa could not stand against the power of a Hitler. So where is hope? Only from beyond the seas. For the one power which might possibly penetrate his vast fortresses, which might grasp him in his own domain, is the power of our country—our

people, our power. If by that time, Mr. President, the British Empire should have shrunk to a group of nations with a total population of less than 100,000,000, and it stretched around the earth, one part separated from another, only Canada and South Africa, if it lasted, and New Zealand and Australia, we can understand what would lie ahead of us. If these horrible events should come to pass, then, Mr. President, would we see the magnitude of our task, the treasure it would take, the rivers of blood which would flow, the power which would have to be exercised over the minutiae of the life—social, political, and economic—of every man, woman, and child.

Mr. President, I am not reading from the Arabian Nights. I am not repeating some fancied story to frighten a child to go to sleep or to be good. I am simply pointing to a flame on the horizon. I am speaking of a conflagration approaching dangerously near. That is the kind of world in which we are living.

Mr. President, I wish I had some magic power to describe what some of our people have already sacrificed. Down in Florida a little while ago, while I was home, I went to Madison, a little town of approximately 2,700 or 2,800 persons in a quiet, old, aristocratic agricultural atmosphere. The occasion of the visit, Mr. President, of the coming together of those people who came from their little stores and farms or from their plantations was to pay homage to a Madison boy who died in a bomber half the way around the earth from that mother and father who sat upon the pedestal of honor that day. I think you may have heard his name, Mr. President. It was Colin Kelly.

The next afternoon I attended another ceremony, this time in my home town of Tallahassee. I saw stoic figures slowly marching behind a hearse. I heard the roll of drums and I saw the flash of stirring flags. Many did not appreciate the thoughts which passed behind the expressionless countenances of the mourners, Mr. President, for they were Chinese comrades of a Chinese boy who a day or so before had fallen in the flaming wreckage of a fast pursuit plane in which he was training at that base. I thought of it, Mr. President: A Florida boy dies in the Philippines, and a Chinese boy, training to fight our common enemy, dies in Florida. I thought I could see hands clasped around the earth, and that they had been sealed by the blood of Occidental and Oriental to a common cause and a common destiny.

Mr. President, perhaps some epic pen shall arise which can describe such experiences and sagas as the one of a boy of whom we read a few days ago, who wandered through the jungle in the Solomons killing four Japs, pursued from one place to another, having the sensation he spoke of, feeling the crushing of the skull of his enemy at whom he struck with desperate force when he was alone in the jungle, and how eventually he subsisted upon snails and insects and ants, and eventually returned again to his fellow marines.

That is not a story arising from some ghastly, distorted imagination; this is

not an Edgar Allan Poe horror tale. Those are American boys who are fighting this war somewhere for this people. Mr. President, we have not yet begun to fight, and already we have had nearly as many casualties as we suffered in the so-called first World War. A lieutenant general tells the people we may expect 5,000,000 casualties. If there are 5 people to a home, how many homes, Mr. President, will have crepe upon the door and a star to indicate the presence of a gold star mother in the window? How many sad hearthstones, Mr. President, will feel the touch of the warm tears of those who kneel to pray in memory of a departed son? It is not confined alone to the boys, because nothing could be nobler than the careers of the women, the nurses at Bataan; no courage could be superior to theirs. As the Vice President intimated yesterday afternoon in his remarks in recognition of the exploits of the noble Russian heroine, the women of America are as brave as any. There was a time when they, too, shouldered guns to hold back the savage, and they will do it again if sad necessity demands.

So, Mr. President, we are not meeting here today in the Senate, with its memory of great figures and its traditions, to debate upon a world series which is going on; no world championship prize fight is the spectacle upon which we look now. This is no gladiatorial contest, no bull fight, Mr. President, where gaily adorned ladies and spirited men watch a contest of force and skill. No, Mr. President; this is not a movie scene or a melodrama upon the stage. This is life and death, real life and real death, which is moving kaleidoscopically before the eyes of the world. It is life and death about which we debate, let us remember.

We sent those boys forth, Mr. President. It was the "aye" of Senators in this Chamber, from these old, honored desks, that sent forth the command to war and to death or to mangled bodies.

I wish I had not on one occasion seen the faces, or what might, perhaps, better be called the remainder of the faces of men who had been mutilated in a ghastly way in the World War. If you ever saw one, Mr. President, you would never forget it. Some of these fine, outstanding, blue-eyed, bright-countenanced boys will be slinking around every corner, Mr. President, averting the eyes even of their most beloved, for they dare not frighten them with their sorrow. It was my "aye" and your "aye" and the "ayes" of other Senators which placed the curse of war upon him and ordered him in the way of the enemy shell and the submarine.

Mr. President, that is not a light responsibility. We are dealing with death, and we are its messengers and masters, for others, too, are to die by the same command.

I think that, perhaps, we will all agree that in our private lives one of the most difficult of all tasks is to be able to see things in perspective, to see the forests above the trees. We here in Washington sometimes get the impression that Washington is real life, that this is America, a segment of which we dwell upon. Mr. President, this is a goldfish bowl here in Washington. Washington is as much the

stage upon which the actors play as is this floor where we are observed by those who frequent the galleries. We are in the amphitheater, the gladiators in verbal and spiritual and intellectual combat.

This is not America here between these walls and that beneath that star-lit roof. This is an artificial atmosphere, a creation out of the land for a purpose, and by the Constitution. That, naturally, leads to the fallacy of deducing that the things we think here in Washington are the things America thinks. The people we see we think are typical Americans. In these galleries are more typical Americans than most of the people we see. We see one another, we eat together, we often dine pleasantly together, we talk together about common problems, and we live in the atmosphere of Senators of the United States. Only 1 percent of the families in the population of this country has the same income we have. Only a few have the other opportunities which are ours. But, Mr. President, coming, as Woodrow Wilson once said, out of the factories and the mines, from the farms and the market places is a loud murmur which often we can hear clearer when we come here than we can hear later—that is America; those are our people; it is they who are real and not we here.

So it is easy for one to become wrought up, excited, and disturbed that we are a party to injustice, that we do not fulfill our obligations to give adequate, fair representation to someone at home to whom we owe the obligation of responsible service.

We are inclined to believe that the few friends who come to call upon us, to tell us about a segment of our economy, an honored segment, are the people of our States. It is so easy to put a dime in front of the eye and obliterate the sun, and it is a most natural thing after receiving a sheaf of telegrams that high [indicating] to say, "My, I had no idea that public opinion in my State was so strong," and to assume that that little stack of telegrams represents the homes from which the heroes come and out of which are the heroines of the past and of the future.

No, Mr. President; the little clerk in the store, the man in the barber shop, the drayman, the common laborer, the hired hand, the cook in the kitchen, the nurse, even most professional men do not rush to the telegraph office to send us telegrams. Few of them even write a letter. To most of them writing a letter is something comparable to receiving one—it is an event. All of them cannot even write. So they have not been heard from.

Mr. President, it is also natural to assume that because an injustice may have been done by somebody else to someone in whom we are interested, or an excessive favor may have been bestowed upon another class by some agency, that we should commit a second wrong in an effort to produce right.

I wonder if this matter would not be clearer and simpler if we could imagine that we were looking back upon it from a distance of 6 or 12 months hence. I remember when the very able and great senior Senator from the State of Georgia,

if he will not object to my quoting him, told me in conversation here at one time that in the early days of his distinguished tenure here he had often thought that perhaps every vote meant political destruction at the next election.

The lines would be so tightly and tautly drawn, the contest so strenuous and bitter, the animosity so high and keen he thought that surely they could never subside. Yet I was pleased to hear him say, with that wisdom for which he is distinguished, that it seldom materialized that way; that in the march of events those lesser incidents were wiped out; that these deep strokes upon the sand had been obliterated by the sweeping tides of the passing days. So I wonder, Mr. President, if we could imagine that we were casting these votes 6 months or 12 months from now, when Hitler is on the West Coast of Africa, perhaps, or the battle is drawn to a narrow area in the Near East; maybe when his legions are marching across the sands where the Arabs have been, if we could look back then at the vote today or tomorrow or Monday, when the issue was whether we would write into a law a mandatory requirement affecting one single item in the cost of a commodity or class of commodities, as compared with a public declaration of lack of confidence in the Commander in Chief of our Army, if the choice would not be easier than it will be when these hot breaths or sometimes hot words are upon our cheeks and in our ears.

After all, Mr. President, is anyone about to be done an injustice? I do not think we are faced here, in deciding the question before us, with the decision of whether we want to see the farmers of this country get a square deal or not. If we discharge our duty in such a way as to indicate that sentiment then we already convict our Government of discriminating against a class of our people intentionally and with irrevocable determination.

Mr. President, I speak for what is essentially an agricultural State, its citrus products, its potatoes and vegetables, its livestock, all the things which come out of the fallow ground of Florida. If I were to vote according to the number of telegrams I have received, and according to the letters which have come to me, some of indignation, or the telephone calls which have reached me, or the visitors to my office, it would not be a matter of conscience or judgment which would determine my course; it would be a mere matter of arithmetic, and the decision would be for the amendment of my honored friends from Oklahoma and New Mexico. I am not oblivious to the interests of the people of my fair State. They vote upon my destiny and future. I determine my duty alone.

Nor am I a stranger to experience on the farm. It might not be an impropriety for me to say that I was born upon a 129-acre farm in east Alabama. My father bought that little place with 4-cent cotton, 3 bales of which were drawn at a time by 3 arduously laboring mules over a muddy road 12 miles to a small market, where my father went from corner to corner with his sample in his hand tak-

ing what the market gave for his labor and his toil and that of his family.

Mr. President, the rude one-room school, the rough-hewn bench, and all that went with that life, are not strangers either to my imagination or to my memory. At 10 years of age I drove the family milk cow 10 miles to the little town to which our family moved so that the boy could go to a better school. I have seen the wagons going around to take up the few furnishings which the community might give to a distressed family. I recall the services at the country church on Saturdays and Sundays and the gathering of the people at their festivals. That was America, Mr. President, and the memory of it is one of the sweetest and purest of all my life. So I come not from hard streets which have never heard the heavy, dull thud of the farmer's boots or brogans.

Moreover, Mr. President, I know something about those people. Raise a moral issue, and I defy America to respond more heartily than they. Challenge their country, and every door will close upon a patriot departing for the battle front. Uncomplainingly they live and uncomplainingly they die. The little headstones that mark their humble resting places are the adornments and recognitions of heroes.

You cannot tell me, Mr. President, that one of the members of that household, that father and mother who one day bade good-bye to a boy who looked like their hope and their promise, would, upon reflection, want their Senator to declare to their country and the Axis that they do not trust their President even to fix the prices of their commodities. He is the President who determines the size of their Army and the taking of their son. It is the President who could cut them off from every priority. It is the President who could determine the minutia of their lives with the control which he possesses over the Nation, even to the extent of what they eat. It is the President who could determine the value of the dollar they have in their pockets, and everything that means life to them. They have been trusting their President. They trust him now and expect us to trust him too.

Just one little question is presented by this fiercely debated issue. In perspective, how relatively unimportant it is. But, Mr. President, I am unaware of any injustice which has to be corrected imperatively by the amendment which is proposed. I have some figures here which, dull as they are, and as liable to error as they may be, although they come from the Office of Price Administration, and are based upon the fundamental data of the Department of Agriculture, to me are persuasive that as a whole the farmers have not been done an injustice as compared to the nonfarm population by this administration and President Roosevelt.

For example, it might be well, since it was something that had to be laboriously learned by me, to reflect somewhat upon the history of that vague and often misunderstood and misleading term "farm parity." We all know, and it has been recognized by the administration and the

President, that the history of the country shows that farm prices fluctuate in periods of prosperity and depression more violently than do other economic factors. Therefore, the doctrine of laissez faire was an injustice to agriculture. The present administration, our President, set out to correct it, and I do not suppose that the best friend of the farmer would pretend that it was not under the leadership and by the will and intelligence and final approval of Franklin D. Roosevelt that the correction was written into law as the philosophy of America.

Mr. President, in order to avoid those sharp fluctuations, a gamble which agriculture could not afford, a choice was given of choosing between two principles upon which prices could be fixed. One of them was: Price equals profit plus cost. That standard well might have been chosen. For some reason, known and better understood by those who were then here, it was not adopted. They preferred, on the contrary, to relate the price of the farm commodity to the things the farmer bought, so as to give him a stable standing in the market places where goods of life were bought and sold. At that time so-called parity, or this exchange figure, did not include interest on money. It did not include taxes. It did not include certain other elements of cost. They were added in 1937. Practically all the ingredients of the cost figure are tied to the parity principle.

Mr. President, it might be appropriate to remember that during the World War farm prices rose a fraction over 100 percent. Since August 1939 they have risen 85 percent.

Mr. President, labor costs in agriculture, since August 1939, have increased 56 percent.

Thus we have prices in agriculture increasing 85 percent and agricultural wages increasing 56 percent since August 1939. So that if the ratio of prices in relation to wages in agriculture was all right in August 1939, it is still more than all right, because the disparity now is in favor of the farmer-proprietor.

But there is something else which we should properly note, and that is that the output per farm worker has increased 24 percent in the same period. Therefore the net labor cost increase per unit produced is only 25 percent.

Mr. President, I do not know why farm labor is turning out more than it did formerly. I only know that the figures I have so show. They are open to controversy by anyone. Either by reason of increased efficiency in the performance of their tasks, or better machinery with which to work, or because their soil has been improved, or because they have used more fertilizer—I can imagine it even attributable to the soil-conservation policies of the country under this same President—the output per worker has increased.

Anyway, farm prices have increased, so my figures disclose, since August 1939, 1 month before the beginning of the war, 85 percent. The gross labor costs have increased only 56 percent, and the net labor costs only 25 percent. So then it is not unfair to say, if those figures are correct, that since mid-1939 farm prices

have increased 85 percent and farm labor has increased in cost 25 percent.

It would seem, therefore, that taking the country as a whole there is nothing to complain about. If it were not necessary to put wages as a factor in the parity principle in its inception nothing has occurred since then, at least since 1939, to make it proper or necessary.

But now, Mr. President, here is something else which I think is worth considering. What has happened to the average farmer in regard to his per capita income since August 1939? It has increased 115.4 percent, while the average per capita nonfarm income since 1939 has increased only 49.4 percent. That includes the millionaire, the machinist, the store clerk, and it also includes all the farm people, the proprietor as well as the hired hand.

Another thing. Since the base period of 1910 to 1914 which we accept as parity the cash per capita farm income has increased 174 percent. For the same period the per capita income in the nonfarm group has increased 101 percent. I am speaking now of what has happened since the era of parity—the period from 1909 to 1914. Therefore the income parity index is 136, which is just another way of saying that the per capita farm income since the base period of 1909 to 1914 has increased to the index of 136, whereas the per capita income of the nonfarm worker in the same period has increased to the index figure of 100.

That goes to show that however tragic may have been the plight—and it was tragic—of the farm worker in the pre-standard period, nevertheless in the interim between 1914 and 1942 the farm worker on the average per capita has profited above the nonfarm worker in the ratio of 136 to 100 according to the evidence I have.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. PEPPER. I am glad to yield.

Mr. GEORGE. The Senator, of course, does not mean to say that the farmer has actually in dollars increase profited as much as other people. He means that on the percentage basis, starting from so low a figure, the increase has been so great. I understood the Senator was dealing in percentages.

Mr. PEPPER. That is correct. I will say to my distinguished friend the Senator from Georgia that I am dealing only in per capita increases.

Mr. GEORGE. On a percentage basis.

Mr. PEPPER. That is correct. Percentage increase.

Mr. GEORGE. I know the Senator would not want it understood that he was deploring the fact that the farmer had gotten that percentage increase.

Mr. PEPPER. On the contrary.

Mr. GEORGE. The actual increase is not markedly great in many instances.

Mr. PEPPER. Mr. President, I share the regret of the able senior Senator from Georgia that it has not been vastly more, that the farmer's standard of living has not been lifted to what the lowest is entitled to enjoy. But I am simply quoting history now as to how the farm class and the nonfarm class have fared with respect to their status as it existed

in the base period 1909 to 1914 in relation to each other.

Mr. GEORGE. The Senator is quite right when speaking in percentages. The farmer started from such a low level; therefore naturally the percentage of increase is necessarily high.

Mr. PEPPER. I regret very much, with the Senator from Georgia, that the farmer's status was so low, and as I said, I am anxious to increase it, but I am speaking of what has happened, percentage-wise, in the period from 1910-14 to 1942.

Mr. President, I think it is not improper for us to recall some things which should be the basis for offering a word of caution even to those of us who are honest advocates of our farmers' cause. It is also history, very sad history, to a large portion of our people, that during the last war the farmers of this country had about 4 years of good times and thereafter 15 years of terrible times.

Mr. President, I do not think it irrelevant for us to consider what happened then in respect to the bearing that it may have upon what is considered now, for this reason. We all know that farm prices in that period exceeded in relative gain, during the height of the war era, industrial wage increases. We remember that cotton was selling at 30 to 40 cents a pound, and that sugar, for example, went to 5 pounds to a dollar, and other commodities went to tremendous heights in price and cost. Then we remember the deflation, the decline. Over the precipice went agriculture and carried with it a large part of the economy of America and immeasurable, incalculable tragedy and heartache and sacrifice.

Mr. President, we all know that we have been subsidizing agriculture ever since 1933 and maintaining what has been relatively an artificial price level in the major crops of this country. We all know that now we are living in a world where other nations are not in a position to produce for the world market, while we are. If we continue to increase agricultural prices, it will sometime be but a mirage which we hold before the anxious farmer. One day he will clutch at something which he thinks will cool his parched lips, only to find the hot sands that drive him to greater discomfort and disaster.

So we cannot lift ourselves by our bootstraps continually and unceasingly. That raises the question: Is it not better to find some appropriate and fair equilibrium among all classes of our people—an equation in which each factor may have its right place and each shall move with the other in proper and just relationship with fairness for all?

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HATCH. The Senator did not give the source of the figures and computations which he used. Does he mind doing so?

Mr. PEPPER. I am glad to have the inquiry. I stated—perhaps while the Senator was absent from the Chamber—that the figures were given to me by the Office of Price Administration. It was stated that they were based upon the

fundamental data available in the Department of Agriculture. If it is desired, I shall be very glad to name the person who gave them to me.

Mr. BUTLER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Florida yield to the Senator from Nebraska?

Mr. PEPPER. I yield.

Mr. BUTLER. Am I correct in the impression I have gained from the Senator's remarks, that it is better to endeavor to reach a reasonable level for commodity prices and maintain them there than to allow them to become greatly inflated, and that such a policy would be for the benefit of all?

Mr. PEPPER. That is correct.

Mr. BUTLER. Even now, commodity prices are far below what they were during the first World War.

Mr. PEPPER. That is correct.

Mr. BUTLER. How about wages?

Mr. PEPPER. I was about to give some figures. Agricultural prices are lower than they were during the first World War, and wages are generally said to be higher.

Mr. BUTLER. Would the same rule which the Senator advocates with respect to maintaining reasonable prices for commodities apply to wage scales?

Mr. PEPPER. It would. Both are subject to the same principle. What we are striving for is to find a principle which will subject all factors to the same discipline of fairness, as it were.

Mr. President, I venture to offer some further figures. The increase in cash farm income for 1942 as compared to 1939 is 73 percent. I am speaking now of farm income, and the percentage of increase in 1942 as compared with 1939. The latest available figure is 73 percent. That is for all farm income.

The percentage of increase for non-farm income, that is to say, total wages and salaries, including overtime, double time, and other wages and salaries in the highly skilled as well as the unskilled industries, in the war industries, and in the nonwar industries since 1939 is 75 percent. Bear in mind those figures. They are not disputed. The total increase from 1939 to 1942 for all farm income is 73 percent. The total increase from 1939 to 1942 for nonfarm income is 75 percent. Does that represent an enormous disparity?

Mr. LANGER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LANGER. Does the Senator have the figures showing the increase in non-skilled labor alone?

Mr. PEPPER. I have.

Mr. LANGER. Will the Senator give those?

Mr. PEPPER. I have some interesting figures which account for much of the emotionalism which rather naturally has been aroused over this issue.

When we think of the farmer we think of the small farmer, the tenant farmer, or the hired hand. As opposed to him, we think of the skilled worker in the airplane factory or the shipyard, who is making an average of \$50 a week, even

though he may be little more than a high-school boy. His cheeks may still be ruddy, and his voice may not yet have become heavy. It is that situation, Mr. President, which causes us to feel that something ought to be done. We say that it is not fair to allow a farmer's cotton price to be increased a little, or his corn price to be increased a fraction, or his wheat price increased a trifle, while at the same time enormous wage subsidies are allowed by an overzealous War Labor Board. It may justly be said that such action is erroneously countenanced by the President. He is considerably at fault. I think there has been error in some of the wage policies. I do not think they have been tied closely enough to other economic factors. The War Labor Board, without having the power and duty to adjust other factors, has been committed to a field which is special, and has therefore naturally produced a lack of equilibrium in the economic structure.

However, Mr. President, if we should adopt the principle which has been advocated by able and distinguished Senators, we should be attempting to make one right out of two wrongs.

It is an error to believe that the instances in which that condition may have applied are characteristic and universal in nonfarm groups. They are not. Let me give some figures which came from the same sources as those to which I have already referred.

The first category is general. From 1939 to 1942, in all nonagricultural establishments, in which 41,000,000 persons were employed, the average weekly earnings have increased 28 percent; average hourly earnings 17.8 percent; real average weekly earnings—which means earnings adjusted for the 19-percent increase in the cost of living—have increased 8.8 percent; real average hourly earnings, with the same adjustment for the cost of living, have increased 0.1 percent. The average number of hours worked has increased 6.5 percent; and the number of man-hours worked has increased 26.1 percent. The volume of employment has increased 18.3 percent. That is a generalization of the several specialized groups to which I am about to refer.

In all manufacturing industries, which include 11,000,000 workers, the average weekly earnings have increased 52.7 percent since 1939; the average hourly earnings during the same period have increased 31.1 percent; the real average weekly earnings have increased 29.8 percent; the real average hourly earnings have increased 11.4 percent; the average number of hours worked have increased 12.1 percent; the number of man-hours worked, 54.5 percent; and the volume of employment, 37.8 percent.

It will be seen that weekly earnings in manufacturing industries, in which only 11,000,000 workers are employed, have had a gross increase of 52.7 percent.

Take the mining industry: In the mining industry the average weekly earnings have increased 35.5 percent; the average hourly earnings, 18.6 percent; the real average weekly earnings, adjusted for cost of living, have increased 15.2 percent.

In the construction industry, which has about one and a half million workers, the average weekly earnings have increased 37 percent; the average hourly earnings, 17.5 percent; the real average weekly earnings have increased 16.5 percent; the real average hourly earnings, 0.2 percent, or less than 1 percent.

In transportation and public utilities the gross weekly earnings have increased only 19 percent. The real average weekly earnings have increased only 1.1 percent since 1939. The average hourly earnings have increased 12.9 percent, and the real hourly earnings have decreased 4.1 percent.

In trades and related establishments, which category includes all the merchant class, the shop girls, the clerks, and storekeepers, the gross increase in percentage of weekly earnings has been 11.1 percent; the real average weekly earnings are represented by a figure of minus 5.6 percent. In other words, in that classification the wages have been reduced 1½ percent plus. There has been no increase since 1939. The increase in average hourly earnings since 1939 has been 13 percent; the figure for real average hourly earnings is minus 4.1 percent. In that category the workers are receiving less money per week and per hour. They can buy less since 1939.

What about government workers? I do not mean only those who work for the United States Government. I mean workers of all governments, including local deputy sheriffs, local police and firemen, clerks in municipal offices, and all those who are employed by public bodies, local, State, or National.

Since 1939 their average weekly earnings have increased 16.1 percent. However, in terms of weekly earnings their real situation shows a decrease of 1.3 percent. Their salaries and wages have been cut since 1939. It is they whom we ask to pay more for what they buy, when already they are receiving less than they once received. Their average hourly earnings increased 4.3 percent, but their real average hourly earning decreased 11.5 percent. Since August 1939, up to the summer of 1942, their wages and their salaries have diminished by more than one-tenth. Mr. President, the burdened municipalities, counties, and States would be called upon for further exertions to raise salaries and wages if they were to be raised at all. The few wages that we propose to raise by Federal Treasury subsidy are a great deal less than the whole number.

Let me say in passing that, of course, the figures I have given relate to the period from the last month before the war, namely, August 1939, as related to the last available figures in 1942, the last month for which data are available.

Let me give one other set of figures, Mr. President. During the same period the financial services—the runners for the banking houses or the clerks in the banks or countinghouses or little financial institutions of some sort, as well as the employees of banks, have averaged an increase in wages of 9.6 percent. In terms of weekly earnings the real situation is a loss of 6.8 percent. For the same period hourly earnings increased

9.7 percent; but the real situation is a decrease of 6.8 percent, in terms of hourly earnings for the same period.

So, Mr. President, the few people in the war industries whom we observe receiving great wage increases under the impulse, often mistaken, of the War Labor Board constitute a relatively small part of the whole picture. We must not confuse the whole economy with the exaggerated part upon which the spotlight of criticism—sometimes of just criticism—has been turned. We are not a war labor board passing upon a case.

We are legislating for the country, Mr. President. We are fixing farm prices for all purchasers, not just those who work in the airplane factories, the shipyards, and the ordnance plants of the Federal Government. So we must remember that when the farmer who has had a price increase of 85 percent since 1939 is heard we should also think of the people who have had salary diminutions during the same period, and who today are receiving less in terms of purchasing power than they were then. Suppose they, too, were to ask for parity. Then who would vote the subsidy to increase their salaries and their incomes?

Mr. TYDINGS. Parity begins at home.

Mr. PEPPER. Yes, Mr. President; all of us want parity—but parity for whom? Not for just a few, Mr. President. It is not fair to provide parity for just a small portion of the people, and thus inflict injustice upon a far greater number. I venture to say that oftentimes we have confused the issue. Because big wages, high salaries, and large bonuses are paid to a few, we think that everyone in America is profiting from the war. That is not true. Many a man is getting less, many a girl has already had to reduce her standard of living.

I venture to say that in Washington there are girls who do not get enough to eat and who cannot live decently on the small salaries that even now they are being paid—incomes of \$1,000 or \$1,400 a year for clerks and girls working in stores throughout the country. How would any Senator like to face the prospect of his daughter living on a salary as small as that of a girl working in a 5-and-10-cent store, who has to buy clothes, medicine, and to seek wholesome recreation?

Therefore, Mr. President, that leads me to the conclusion that, if those facts are correct, there has not been a disparity against all farmers as compared to all nonfarm workers. Taking all the farm population and all the nonfarm population, ignoring the special few who are a conspicuous exception, each class has fared about alike—the farm group has had an increase of 73 percent while the nonfarm group has had an increase of 75 percent. The difference is not sufficient to make any particular disparity to challenge us not to respect the need in time of war for a vote of confidence in the President of the United States. Is not the confidence of the people of the country in their President worth 2 percent, Mr. President?

Now let me speak briefly regarding what has happened with respect to another matter. That is the statistics regarding the cost of living. It is stated

that since August 1939 the total increase in the cost of living has been 19 percent. Therefore, in deciding these matters we must remember not only the conspicuous few persons who receive high wages in specialized war industries, but we must remember the seven and a half million Americans—men and women, boys and girls—who still receive less than the minimum fixed by the wages-and-hours law, the Fair Labor Standards Act of 1938—seven and one-half million persons receiving less than 40 cents an hour in America today. Raise the cost of living for them another 12 percent, and would not they have a right to ask for parity? Then should not we write into the law a provision—

Provided, however, That the prices fixed by wages in this country shall not give to the worker in the humble group less than a parity wage in respect to agricultural and other labor.

Mr. President, I think I should say that all of us know that the seven and a half million persons receiving less than 40 cents an hour have been shown to spend 45 percent of their income upon food alone. So half their total income goes to nourish their bodies. Mr. President, the wages they are known to receive are just enough to provide for necessities, nothing for luxuries. It is from their homes that are coming many of the men who today are being rejected by the draft boards; and, Mr. President, it is their economic condition which is forcing America to lose the services of what should be gallant and heroic soldiers.

Mr. President, at this point I shall pause to say something which politically I should not say; it will cost me votes in my State: Mr. Ed. O'Neal, the head of one great farm organization—fine gentleman that he is—has, as it appears to me, been a great deal more concerned about the better class farmer than he has about the poor devil at the bottom of the ladder. I have stood on this floor with other Senators who now hear my voice and have fought for farm security appropriations for the poorest farmers combated by a bitter lobby from Mr. O'Neal. Mr. President, I say that politically I should not say that. That will lose votes; because they are organizing in my State—and I am glad to see them organize; I wish all farmers were organized as well as the labor unions.

However, Mr. President, I am talking about history, not about politics. I remember that in 1933 or 1934 those gentlemen came clamoring to their Congress and their President. They appealed for his succor, and they deserved it. It is significant, Mr. President, that they received it. They got soil-conservation payments, they got crop allocation, they got the improvement of their soil, they got a splendid agricultural policy—I challenge history to show a better one.

But, Mr. President—and likewise I should not say this—I think that, somehow or another, if I do not squelch it, I hear coming up into my consciousness the moving words of the greatest of ana-

lysts, who understood so much about the frailties of humanity:

But 'tis a common proof,
That lowliness is young ambition's ladder,
Whereto the climber upward turns his face;
But when he once attains the upmost round,
He then unto the ladder turns his back,
Looks in the clouds, scorning the base degrees
By which he did ascend.

Those gentlemen have often come to their Congress expecting and receiving help. I have always voted for their assistance, and I always shall; but, Mr. President, it cuts me to the heart to have them turn the finger of scorn upon the poor devil who is the poorest farmer, the tenant or the hired hand, as I have been, but in whose heart is aspiration as keen and as lofty as can beat in the human breast.

So, Mr. President, when we speak about democracy and about justice it is all a question of for whom we are speaking. I mean by "democracy" the whole people not only of America but of the world. I do not deny liberty to any man, nor would I stifle his aspiration for personal justice; and that applies to nations as well as to individuals.

Perhaps I should not have said so much, Mr. President, but I ought at least to emphasize that there are only 100,000 more than 4,000,000 persons altogether employed in war production. All of them added together in all the war industries, I am told, equal only 4,100,000, and only a million and a half are engaged in all construction work, war and other work.

I know how galled we have been in our communities where perhaps camps have been constructed and a man who hardly knows a hammer from a saw or a square marches down and qualifies for a job under the agency of a labor union, which gets a fee for his employment, and who receives a wage of \$10 or \$15 a day as a carpenter. In my State sometimes the workman pays as much as \$50—I know of witnesses who told me of \$50 fees—to the representative of a labor union for getting the job. My fidelity to organized labor—and my record shows my fidelity—does not compel me to defend or approve that kind of vicious practice, I do not care who indulges in it or where it is indulged. Naturally, the farmer in such a community who sees his workers snatched away from him resents it, as he should do.

Mr. President, I should like to refer to another point. It is argued by our able friends that just such a situation as that prevails all over America; if it is not a camp that attracts farm labor it is a shipyard or a munitions factory or some other work related to the war, and, therefore, there will not be any labor upon the farm unless we adopt the pending amendment.

Mr. President, we ought to remember the words of that eloquent Virginian who spoke of the lamp of the past being the only dependable guide for his feet. I have before me the record of the hearings in the House of Representatives on the joint resolution, and particularly page 211. On that page there are two charts. The bottom chart purports to show that during the World War agricultural prices

went up from 100 to over 200, and that the volume of agricultural production did not perceptibly increase. That leads me to deduce, although another Senator might make a different inference, that the answer to the question of adequate supplies of farm labor is not in adopting this amendment. That depends, Mr. President, upon two factors. The first is that production relates fairly to profit from production, not to the price the farmer gets for his commodity. If, therefore, we want to make it possible for the farmer to compete with the factory we have got to make it possible for him to meet that competition in terms of profit and not price. The farmer never will be able, I venture to say, to pay as much for a worker upon the farm, hoeing or plowing or even running a machine or milking the cows or tending the animals, as an airplane factory will be able to pay a mechanic, and, if that is what we are thinking of, we had just as well abandon it or admit inevitable chaos for all in this country.

No, Mr. President. As I say, there are only two ways to put workers upon the farm. The first is to assure the profit of the farmer, and the second is an adequate, efficient, and just control of the manpower of the country. I, at least, do not know of any other way than those two.

I mean, Mr. President, that the farmers, of course, have got to be considered in respect to the price of labor. I mean, of course, that a man cannot be a free agent in a controlled economy in time of war, whether he be a civilian or a soldier. We have not been able to go home always when we wanted to; we have not ourselves been free agents; neither are soldiers or most civilians. Universal service according to a man's ability is a man's duty in war. If he is young and strong and able and courageous, from the beginning of time he has been at the front. If he is old and time has pressed heavily upon his weakened shoulders, if it has kissed his brow with frost and dimmed his eyes, then, Mr. President, he was a proud member of the home guard, and glad that he was able to fill some part in the struggle.

This is a new kind of war. If we had every man at the front we would lose the war in a day, because the men at the front could not be maintained. I was told by an employee in the War Production Board that they were a thousand men short in the production of an essential mineral without which our war industry could not go forward, not a gun could be shot. We cannot take all the men and put them at the front and put nobody in the mines or on the farm. Therefore, that was responsible, if I may be permitted to say so, for my offering a resolution here a few days ago requesting that a committee of Senators be appointed by the Vice President to study the whole question of manpower in relation to agriculture and war industries and other activities that have to do with our inevitable victory.

So I venture to say that those who fear for agricultural production have not offered an answer in the amendment which able Senators so strongly present.

Mr. President, I have already indicated that I thought that there was a grievous ground for question as to the policy of the War Labor Board in taking as a base for their determination of wage increases the period of January 1941, instead of going back to a base period such as August 1939.

Mr. President, I should like to sum up by saying that I venture to believe, first, that the position of the farmer today is not one that entitles him to so violent a remedy as a public vote of lack of confidence in the President of the United States. Second, his increase in income per capita has been 73 percent and wage earners' increase has been 75 percent since 1939.

Third. The increase in farm prices will not increase farm production, as is evidenced by the table to which I have referred, showing our experience during World War No. 1.

Fourth. Inflation will enormously increase the war cost. During the last war there was a cost of \$31,000,000,000 to the country. It has been estimated that inflation alone cost 13.5 of those billions.

Fifth. We are told that already we have appropriated \$225,000,000,000 for this war and that at least \$75,000,000,000 of that can be attributed to the inflation we have already allowed.

Sixth. We face a period when, if the inflationary spiral is not stopped, it will mean a sapping and emasculation of the whole war effort. I should say that inflation is the fourth member of the Axis. Inflation can do inside America just what Hitler would strive to do with his saboteurs and his fifth columnists, but do it more dangerously and more effectively. All the saboteurs he might land on all our coasts could not approximate the danger to the stability and the strength of America which would be caused by an inflationary spiral which would mean that every one would have achieved a pyrrhic victory.

What is the remedy, therefore? The only fair principle of which I know is the vesting in some agency not only of the authority but the duty to do justice by all segments of our people. I believe the President is sensitive of the need of justice to every class of America. I know he has access to the facts. I know he wants to know the facts, and will know them. I know he means it when he says, "I will stabilize wages."

If I believed that the President would put a ceiling on agricultural commodities and let wages go out of fair proportions I would distrust that President, and justly condemn him. But I do not believe that he would do that. I believe it is the President's purpose, in the enactment of the pending measure, for the first time to get his hands on the reins of all these many horses, and keep them together, pulling in harness and pulling the machinery of American victory. I believe it is not only our duty to trust him, but that of necessity we must. There is no way around it as a practical matter.

We could not determine by the language of the law itself what should be the rules about priorities. We would not be

able to fix, in the selective-service law, the principles of agricultural and industrial deferment. We could not determine how many soldiers the military might need or how many airmen or sailors we must have.

We had no way of writing into the statute the provision as to where a man must serve in the Army or in the economy of the country. All those things had to be left to the discretion and the wisdom and upon the conscience of the President of the United States of America. The compromise upon which we are to vote after voting upon the pending amendment specifically makes it the duty of the President to fix prices of agricultural commodities so there will be all necessary production and so increased cost in farm labor will be fully reflected. That is full. That is fair.

So Mr. President, I do not think I am abandoning the interest of those many farmers in Florida for whom I am solicitous when I trust the President to do his duty which we will define. No one has tried harder to serve them justly than I. But I know that the only way the whole public interest can be served is by prescribing the general principles for his guidance, and then by laying it at the feet of the President and saying, "Mr. President, we challenge you to save America from inflation; to do justice by all our people before man and God."

I know that there are none more anxious to do their part in the war than the farmers, who are the bone and sinew of America, its heart, and its blood. As they have been the first to defend it, they will be the last to let it down. They will do their part like loyal soldiers, following and trusting their Commander in Chief. They will not at home tell their sons at the front that their Commander in Chief is a betrayer; that they will not believe in him under whom their sons offer themselves a sacrifice.

And farmers and all who trust that great man in the people's White House will find that in their unselfishness they have found their just reward; that, as was assured by the Lowly Nazarene, to them who sacrifice will come the final triumph and victory.

Mr. CLARK of Missouri. Mr. President, Wednesday I sent forward and had printed an amendment in the nature of a substitute for the pending joint resolution. It is my purpose to offer the substitute at the conclusion of the consideration of the various amendments. In the meantime I ask that, for the information of the Senate, the proposed substitute be printed in the body of the RECORD.

The PRESIDING OFFICER (Mr. HILL in the chair). Is there objection?

There being no objection, the amendment intended to be proposed by Mr. CLARK of Missouri, was ordered to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That in order to aid in the effective prosecution of the war, the President is authorized and directed on or before November 1, 1942, notwithstanding the provisions of any other act, to issue a general order stabilizing prices, wages, and salaries affecting the cost of living,

and such stabilization shall be on the highest levels which existed between January 1, 1942, and September 15, 1942.

"SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this joint resolution, and may exercise any power or authority conferred upon him by this joint resolution through such department, agency, or officer as he shall direct.

"SEC. 3. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

"(b) Any person who wilfully violates any regulation promulgated by the President under this joint resolution relating to wages or salaries shall, upon conviction thereof, be fined not more than \$1,000.

"SEC. 4. The provisions of this joint resolution, and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe."

Mr. THOMAS of Oklahoma. Mr. President, yesterday a Member of the Senate made a rather caustic attack on some citizens of the United States. Those citizens have addressed a communication to the Senator from New Mexico [Mr. HATCH] and me. I think they are entitled to have their position stated in the CONGRESSIONAL RECORD, and I ask unanimous consent that the letter be read at the desk.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will read.

The legislative clerk read as follows:

SEPTEMBER 25, 1942.

HON. ELMER THOMAS.

HON. CARL A. HATCH.

MY DEAR SENATORS: A Member of the United States Senate took occasion on the floor of the Senate yesterday to attack in the most extreme manner farmers and farm organizations because they exercised their constitutional right to petition Congress and to present their recommendations to Congress in order to meet the critical food situation. This issue will not be solved by name calling, but by a careful consideration of the facts.

The farm leaders who were singled out for attack on the floor of the Senate yesterday are elected by the farmer members of their organizations. They are expressing the convictions and recommendations of these millions of farmers who produce the great bulk of the food and fiber of the Nation. All of the national farm organizations, except one with a very small membership, are in agreement on the necessity for the Thomas-Hatch amendment.

Farmers cannot understand why they and their organizations should be subjected to abuse and vilification, and even be accused of "a crime against the President of the United States," merely because they ask that farmers' increased wage costs be included in maximum-price ceilings on agricultural commodities. They cannot understand the attitude of those who give their approval to cost plus for industry and industrial labor, but demand cost minus for farmers.

Farmers are straining every effort to produce the greatest supply of food in the history of the country, working from 70 hours to as high as 100 hours per week yet receiving the lowest pay of any group in the Na-

tion. At the same time, factory workers on the average are working only 42 hours a week with time and a half and double time for overtime, in addition to the highest wages in the history of the Nation.

We feel it is most unfortunate that this whole matter is being portrayed before the Nation by administration spokesmen and much of the metropolitan press as a contest between the President and the Congress, instead of facing the desperate realities that lie ahead of us. Neither the Congress nor the farm organizations initiated any such contest. Congress is rightly carrying out its constitutional responsibility to enact the laws by which our Nation is governed. The thing of vital concern to farmers and to the Nation is not which side is going to win on Capitol Hill, but whether we are to preserve constitutional government in this country and enable farmers to produce the maximum food and fiber needed to win the war.

It is appalling that there is so little understanding of the gravity of the food situation. Unless farmers are enabled to meet their rapidly rising wage costs, it is our considered judgment that the Nation is headed for a major catastrophe in its food supply next year—particularly in the production of poultry, dairy products, livestock, sugar, and certain fruits and vegetables, in which labor is such a major cost factor. Two million workers have already left the farm, and the Department of Agriculture estimates that at least a million more workers may leave the farm next year. The situation has already become so acute that plans are now under consideration for rationing meat and probably dairy products. We are seeking to give to Congress our best judgment and to recommend a policy which we believe is essential in order to secure the maximum production of food and fiber so vitally needed for the winning of the war.

With these objectives in mind, we cannot give our approval to the so-called compromise which leaves entirely to administrative discretion the adjustments of price ceilings to take account of increased farm wage costs. The record of administration of the Price Control Act to date does not justify leaving this fundamental policy entirely to administrative discretion.

We are solidly behind the Thomas-Hatch farm labor amendment, and leave to those who would defeat it the responsibility of feeding the Nation.

Sincerely yours,

A. S. GOSS,

Master, National Grange.

C. C. TEAGUE,

President, National Council of
Farmer Cooperatives.

H. E. BABCOCK,

First Vice President, National
Council of Farmer Cooperatives.

CHARLES W. HOLMAN,

Secretary, National Cooperative
Milk Producers Federation.

EDWARD A. O'NEAL,

President, American Farm
Bureau Federation.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

By Mr. CONNALLY, from the Committee on Foreign Relations:

W. Garland Richardson, of Virginia, now a Foreign Service officer of class 7 and a secre-

tary in the Diplomatic Service, to be also a consul;

Thomas L. Hughes, of the District of Columbia, now a Foreign Service officer of class 1 and a secretary in the Diplomatic Service, to be also a consul general;

Anthony J. Drexel Biddle, Jr., of Pennsylvania, now Ambassador Extraordinary and Plenipotentiary to Poland, serving concurrently as Envoy Extraordinary and Minister Plenipotentiary near the Government of Yugoslavia, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary near the Government of Yugoslavia now established in London; and

Anthony J. Drexel Biddle, Jr., of Pennsylvania, now Ambassador Extraordinary and Plenipotentiary to Poland, serving concurrently as Envoy Extraordinary and Minister Plenipotentiary near the Government of Greece, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary near the Government of Greece now established in London.

The PRESIDING OFFICER (Mr. HILL in the chair). If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations are confirmed en bloc.

THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. BARKLEY. I ask that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the Executive Calendar.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the President be immediately notified of the nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

RECESS TO MONDAY

Mr. BARKLEY. Mr. President, it is my purpose to move a recess until Monday at 12 o'clock noon. I hope at that hour to obtain the floor to address the Senate upon the amendment now pending. I therefore move, as in legislative session, that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 24 minutes p. m.) the Senate took a recess until Monday, September 28, 1942, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 25 (legislative day of September 21), 1942:

IN THE NAVY

TEMPORARY SERVICE

To be rear admirals

Harry W. Hill	James M. Irish
Claud A. Jones	Harold T. Smith
Alexander M. Charlton	Thomas B. Richey
Joseph J. Broshek	Charles L. Brand
Sydney M. Kraus	Ernest M. Pace, Jr.

To be medical directors

William Chambers
Kent C. Melhorn

To be pay directors

John F. Hatch
Emory D. Stanley
Fred E. McMillen

To be civil engineers

Henry G. Taylor
Gaylord Church

POSTMASTERS

FLORIDA

Morton O. Brawner, Pensacola.
Dwight W. Shower, Safety Harbor.
Jerald W. Farr, Wauchula.

MINNESOTA

Elizabeth E. Trench, Dennison.
Aloysius I. Donahue, Elk River.
Dean M. Alderman, Grey Eagle.

Lee L. Champlin, Mankato.
Chester J. Gay, Moose Lake.
Elmer Backer, New Ulm.
Andrew Reid, South St. Paul.
Paul J. Arndt, Stillwater.
Daniel M. Coughlin, Waseca.

MISSOURI

Charles C. Oliver, Bloomfield.
Otis D. Kirkman, Cabool.
Harrison R. Porter, Conway.
Richard W. Marsden, De Soto.
Sadie G. Morehead, Milan.
Walter E. Duncan, Newburg.

NEBRASKA

Margarete C. Phelps, Valentine.

NEW HAMPSHIRE

Joseph A. Gorman, Durham.
Willis E. Herbert, Franconia.
Richard U. Cogswell, Warner.

NORTH CAROLINA

William R. Young, Badin.
Berta B. White, Ellerbe.
Stephen C. Clark, High Point.
Robert T. Teague, Newland.

WISCONSIN

Arthur C. Finder, Ableman.
Perlee W. Dickey, Black River Falls.
Charles L. Haessly, Ellsworth.
John T. Tovey, Fremont.
Frank Heppe, Kewaskum.
May K. Powers, Lake Geneva.
Hildegard Thering, Plain.
Joseph P. Kelly, Richland Center.
Adelbert O. Randall, Rosendale.
Alfred H. Hadler, Thiensville.

Sept. 28

appointment of a rubber administrator relieves Congress of its responsibility to do everything within its power to attain an adequate rate of rubber production. We have every hope that efforts to solve this problem, foremost of all our problems, will be attended by the fullest measure of success. But our responsibility as legislators will not have come to an end until that measure of success has been completely demonstrated in material achievement.

The American people are anxious to make whatever sacrifice may be required by the conditions of victory. They are determined to accept any restriction necessary to assure an adequate supply of rubber. They are therefore entitled to every assistance from the Congress and the executive departments which will fortify their faith in the wisdom of that determination.

Therefore, in order that we as Members of the Senate shall be enabled to determine when and if our responsibility shall have come to an end, I submit the resolution which I send forward and I ask that it be read by the clerk and referred to the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Without objection, the clerk will read the resolution, and it will be referred as requested by the Senator from Indiana.

The resolution (S. Res. 294) was read and referred to the Committee on Agriculture and Forestry, as follows:

Resolved, That the Federal Rubber Administrator is hereby requested to submit to the Senate at the earliest reasonable date within 30 days of passage of this resolution, and at 30-day intervals thereafter, a report of the status of rubber supplies and of the progress of rubber production within the United States, including a statement of—

(1) The total national supply of natural crude rubber, synthetic rubber, and rubber substitutes available to the Nation's armed services and civilian population.

(2) The total amount of natural crude rubber, synthetic rubber, and rubber substitutes under contract for future delivery to the United States from abroad.

(3) The number, capacities, and estimated costs of all plants designed to produce synthetic rubber and all elements of its composition; and the raw materials from which such rubber and its elements are to be made.

(4) The number, capacities, actual costs to date, and estimated costs of such plants construction of which has been started; the raw materials from which the elements of the finished products are to be derived; the dates upon which contracts were let, the dates upon which construction was started, and the estimated dates upon which construction will be completed; and the amounts of critical construction materials already consumed and estimated to be consumed in completion of such plants.

(5) The number, capacities, and estimated costs of such plants construction of which has not yet been started; the raw materials from which the elements of the finished products are to be derived; the dates upon which contracts were let and estimated dates of beginning and completing construction; and the estimated amounts of critical construction materials to be consumed.

Mr. GILLETTE. Mr. President, on behalf of the eminent Senators with whom I have the privilege of being associated

in the so-called rubber inquiry, I wish to sincerely thank the Senator from Indiana for his very kind reference to the work of the members of the subcommittee.

I also wish to say that the Senator is to be congratulated for his grasp of the situation, and for pointing out, by the presentation of the resolution, the crisis which exists.

Those of us who have been rather active in connection with the rubber problem have been very much pleased with the selection of Mr. Jeffers. I may say, for the information of the Senate, that we have been in conference with Mr. Jeffers, and we are convinced that there will be no difficulty in working out the best solution possible for the interest of the country and all industries concerned.

I venture to assure the Senator that when the Senate Committee on Agriculture and Forestry acts on the resolution which has just been offered, the statement of the committee will express appreciation of the interest he has evinced, and I am quite sure that within a very short time they will have a rather full statement to make on the floor of the Senate in connection with the subject matter.

Mr. WILLIS. I thank the Senator.

COMMODITY PRICES IN THE DISTRICT OF COLUMBIA

Mr. NYE. Mr. President, I submit a resolution, which I ask to have read and referred to the Committee on Agriculture and Forestry.

There being no objection, the resolution (S. Res. 295) was read and referred to the Committee on Agriculture and Forestry, as follows:

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation of commodity prices prevailing in the District of Columbia, with a particular view toward determining how prices paid by consumers for agricultural commodities, or for commodities processed or manufactured in whole or substantial part from agricultural commodities, compare with the prices received by farmers for such agricultural commodities. The committee shall report to the Senate at the earliest practicable date the results of such investigation, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-seventh and Seventy-eighth Congresses, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$3,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

THE PRESIDENT'S FARM PRICE PROGRAM—ADDRESS BY SENATOR BANKHEAD

[Mr. HILL asked and obtained leave to have printed in the RECORD a radio address

on the subject Shall the President's Farm Price Program Be Adopted? delivered by Senator BANKHEAD in the Town Hall program, at Birmingham, Ala., on September 24, 1942, which appears in the Appendix.]

ADDRESS BY SENATOR PEPPER TO GOLD STAR MOTHERS

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a radio address to the Gold Star Mothers, delivered by him on September 27, 1942, which appears in the Appendix.]

ADDRESS BY THE ARCHBISHOP OF CANTERBURY

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an address delivered in London on September 26, 1942, by the Archbishop of Canterbury, which appears in the Appendix.]

MEAT AND MILK SHORTAGES—ARTICLE BY A. S. GOSS

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an article entitled "Swivel Chair Meddling," written by A. S. Goss, master of the National Grange, printed in the National Grange Monthly for October 1942, which appears in the Appendix.]

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

The VICE PRESIDENT. The clerk will state the amendment which is the pending question before the Senate.

The CHIEF CLERK. In the committee amendment, on page 4, at the end of line 13, it is proposed to add the following:

For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

Mr. REED. Mr. President, I rise this morning to begin what probably will be the last day of debate upon an amendment to a very important measure. So much has been said during the last several days as to this amendment, and there has been so much misunderstanding, that I wish to take a minute or two to describe the genesis of the so-called Tydings-Reed-O'Mahoney amendment which was offered last Wednesday. It is neither New Deal nor anti-New Deal; it is neither administration nor anti-administration; it is certainly not anti-farm bloc. As I have previously stated, I am a member of the farm bloc, an active and a vocal member, I hope, and shall continue to be so as long as I am in the Senate of the United States. No one but the people of Kansas, whose commission I hold, can deprive me of my membership in the farm bloc.

Before I proceed too far into my remarks I wish to say that I am absolutely in agreement with the distinguished senior Senator from Oklahoma [Mr. THOMAS] in his statement that there is no inflation at this time. The general price level is now a little bit lower, a fraction of 1 percent lower, than it was in 1926, and it is the price level which determines the degree of inflation. If the present price level has exceeded that of 1926 at all in recent days, it has been by a very small fraction of 1 percent.

I wish to say further to the senior Senator from Oklahoma, whom I not only like, but for whose honesty, ability, and integrity I have a profound respect—and let me join with him the senior Senator from Alabama [Mr. BANKHEAD], the senior Senator from Iowa [Mr. GILLETTE], and the junior Senator from Georgia [Mr. RUSSELL], with whom I have discussed this question—that I share their desire to rewrite the parity formula now in the law. But for special reasons that is not now practicable.

When the Senator from Maryland [Mr. TYDINGS] came to my desk last Wednesday and asked me what I was engaged in doing, I told him I was trying to write an amendment to the pending joint resolution which would recognize the increased cost of production to the farmer. I told him that I also was desirous of keeping the joint resolution in substantially its present form, for the reason that for the first time it contained a direction to stabilize wages.

Many of us, beginning with the passage of the Price Control Act last year, and continuing to the enactment of the Price Control Act of 1942 last winter, desired that wages be included. They were not included only because of pressure from the administration. They are covered in the pending joint resolution. It is true that administrative discretion is left with the President and the Price Administrator, but I do not see how that can be avoided.

Third, I wanted to have passed a measure which would be satisfactory to the President—at least sufficiently satisfactory so that it would be signed, and would not precipitate a crisis at this time between the Congress and the White House. I can make that statement, as can the Senator from Maryland also, because I do not think anyone has listed among our many unlovely characteristics the charge that we are "rubber stamps" for anyone, not even the President of the United States.

Mr. President, I was elected to the Senate in 1938. In every speech I made to the people of Kansas in the campaign I said, "If you elect me to the Senate of the United States, I shall consult with my constituents, of course, and I shall be glad to have their advice, but in the last analysis I shall cast every vote upon my own conscience and my own judgment. I will not be a 'rubber stamp' for anyone, not even the President of the United States—not even if the President of the United States should be of my own party." I stand now on that declaration.

I desire to say earnestly to the Senator from Oklahoma—and to others who hold the same views he has expressed and I have expressed—that I should be very happy to join with them, for whatever it may be worth, either in this Congress or in the next Congress, to write a new parity formula for agriculture. So much for that.

There has been a vast amount of misrepresentation. I am a newspaperman, and have pride in my business—or call it a profession, if you wish. I think it is most unfortunate, Mr. President, that the great metropolitan newspapers of the East are unable or unwilling to do justice

to the farmer. They talk about the farmer and write about him as though he were a greedy individual seeking some undue advantage. We are apparently unable to get the facts into the metropolitan newspapers of the East. I adopt the language of the junior Senator from Indiana [Mr. WILLIS], who recently said:

Recent attacks upon the American farmer, wafted to us in voices of the night from on high, obviously have not been harvested in the fields of fact. Nor have those fields of fact been within the ascertainable range of vision of the occupants of scores of metropolitan editorial chairs. History, past and current, reveals the American farmer in a more patriotic light than that which surrounds a group of critics whose possible charity of motive is ill-matched by their ignorance of fact, oversight of fact, or prostitution of fact.

The great metropolitan newspapers would be rendering their country greater service if they would find the space and have the inclination to publish the facts as they appear and as they exist.

Mr. President, there has been much said about increases in farm prices and in the cost of living as compared with increases in wages, and there has also been a discussion of the relative increase of wages and costs on the farm, as well as the increase in wages of the factory worker.

I hold in my hand a chart which was prepared for me by the Division of Statistical and Historical Research of the Bureau of Agricultural Economics since the Senate recessed last Friday. In graphic form the chart shows a great disparity between the increases of wages in the factory and the increases of wages on the farm. I should like to have the chart printed in the RECORD at this point; but I am informed that cannot be done without an order from the Joint Committee on Printing, which I have not had opportunity to obtain.

By the same source the chart was reduced to figures, in the form of a table, which supports the chart. I call attention to the salient figures of the table. Back in 1910 the average factory worker's wage was 20 cents an hour. In July 1942 it was 85 cents. That is an increase to 401.7 percent of the 1910-14 index. For the same period the average farm wage rate per day, without board, began in 1910 at \$1.39. It has increased to \$2.45, and in July of this year the index of farm wages was 196 percent of what it was in 1910. The factory worker had an index of 401.7 percent of his 1910 hourly rate.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. WHEELER. I have read the amendment which the Senator from Kansas has proposed jointly with the Senator from Montana [Mr. O'MAHONEY], and the Senator from Maryland [Mr. TYDINGS]. I notice that the Senator from Kansas has stated the amendment in the negative. I am wondering if the Senator would agree that in fixing ceiling prices for agriculture the farmer should receive the cost of production, and that it should be mandatory upon Mr. Henderson, or the Price Administrator, to take into consideration the price

of labor. Can the Senator see any objection to such a provision?

Mr. REED. I shall return to a discussion of the parity formula a little later.

Mr. WHEELER. I am not discussing at present the parity formula. I am merely asking the Senator if he does not believe that if ceiling prices are fixed on farm products, it should be mandatory upon Mr. Henderson, or upon the price-fixing authority, to give the farmer the cost of production, and include in it the increased cost in labor, plus a reasonable profit.

Mr. REED. That is required by the amendment at the present time, and I shall return to that point a little later, if the Senator from Montana will permit.

Mr. WHEELER. Let me say to the Senator that I cannot agree with him that that would be the result of his amendment, because it does not make it mandatory.

What I am seeking to know is whether the Senator from Kansas does not think the proposal should be stated affirmatively rather than negatively.

Mr. REED. Mr. President, the Senator from Montana has not correctly stated the situation. The amendment which was originally prepared by the Senator from Maryland [Mr. TYDINGS] and myself and offered as an amendment to the amendment prepared by the Senator from Wyoming [Mr. O'MAHONEY], which had been accepted by the Committee on Banking and Currency and was incorporated in the joint resolution, is as follows:

That modifications shall be made—

Not may be made—

That modifications shall be made in maximum prices established for any agricultural commodity—

I am omitting language which is not germane to the discussion—

in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will not reflect such increased costs.

That is to say, where the ceiling price does not reflect those increased costs there shall be a modification which will do so. That is not stated in the negative.

Mr. WHEELER. Mr. President, if that is the interpretation which the Senator from Kansas puts upon his amendment, there could be no excuse for not stating it or any reason why it should not be stated in simple language that in fixing ceiling prices for agricultural products the cost of production should be taken into consideration, including the increased labor costs, whatever they may be.

Mr. REED. The Senator from Montana keeps bringing into the discussion the parity formula.

Mr. WHEELER. No; I am not speaking of the parity formula at all. I am not mentioning the parity formula. I am simply saying that if ceiling prices are fixed on agricultural products, the Price Administrator in fixing ceiling

prices should, regardless of parity at all—let us eliminate parity entirely—take into consideration the cost of production of the commodity and should take into consideration the labor cost as well. Is there anything about parity in that suggestion?

Mr. REED. In the amendment which the Senator from Montana is supporting, or is reported to be supporting, there is a direction that the cost of labor be included in the parity price.

Mr. WHEELER. Oh, no.

Mr. REED. I beg the Senator's pardon. I yielded to the Senator, and I wish to be courteous to him—

Mr. WHEELER. I do not want the Senator from Kansas to put something in my mouth which is not correct, that is all. The Senator is mistaken in his interpretation. I am not talking about any proposed amendment. I am asking the Senator a direct question, regardless of any amendment that may be pending.

Mr. REED. The parity formula has never been a cost-of-production formula.

Mr. WHEELER. That is correct.

Mr. REED. Later I shall discuss the parity formula, because I want it revised, but I want it revised at a time and under circumstances when we may consider all the factors which go into this all-important question. It is not now a cost-of-production requirement. It would not be under the Thomas-Hatch amendment. In that amendment it is undertaken to make labor costs a part of the parity formula and go further in that direction. I believe the farmer should have full recognition for his labor and other increased costs of production. That is what we are trying to get for him, without bringing about a collision with the President of the United States, which might result seriously.

Mr. WHEELER. No one wants to have a collision with the President of the United States. The Senator still has not answered my question. I say nothing about parity, for, to be candid, I feel that the parity price under the present formula is entirely unfair to the farmer in most circumstances. We should not stand upon parity which does not take labor costs into consideration. I am simply asking the Senator if, in this period when labor costs are higher, he does not think it proper when fixing ceiling prices to provide in simple concise language—

Mr. REED. I agree that the labor costs should be given consideration, and we have written into the proposed amendment a mandatory direction to whomever administers and prescribes the price ceilings, to do that very thing.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. OVERTON. One or two objections occur to me with respect to the amendment suggested by the Senator from Kansas [Mr. REED], by the Senator from Kentucky [Mr. BARKLEY], and the Senator from Maryland [Mr. TYDINGS]. The joint resolution as reported fixes the maximum price, which would be either the parity price or the highest price between January 1 and September 15.

Mr. REED. That is correct.

Mr. OVERTON. The Senator's amendment does not touch the provision at all.

Mr. REED. That is correct.

Mr. OVERTON. Under the joint resolution, if the Senator's amendment is adopted, this maximum price will be fixed on either one of those two bases. The Senator's amendment refers only to the modifications which may thereafter be made in respect to the price of agricultural products. In the modifications which may thereafter be made, whoever has in charge the administration of this measure, will take into consideration the increased cost of labor.

Mr. REED. And other costs.

Mr. OVERTON. And other costs, yes. But, as pointed out, I think by the Senator from Montana [Mr. WHEELER], the Senator from Kansas in his amendment does not undertake at all to deal with the maximum price. The cost of labor is not included in the maximum price at all. The maximum price is fixed regardless of the cost of farm labor. It is only after the maximum price is fixed that the amendment suggests that modifications in the future shall take into consideration increased cost of farm labor.

Mr. REED. And other costs.

Mr. OVERTON. And other costs. There is another objection—

Mr. BARKLEY. Mr. President, let me inject a statement on the very point to which the Senator is adverting. Every maximum price fixed is a new maximum price, regardless of whether a maximum price has been previously fixed on a given commodity. If that maximum price is modified or changed then it becomes a new maximum. Even though it were a new maximum that were placed on a farm commodity, upon which a maximum has been heretofore fixed, in the fixing of the new maximum the increased cost of labor and other costs would be—not simply would be, but must be—taken into consideration.

Mr. OVERTON. That is correct, Mr. President. The point I am making is that under the amendment proposed by the Senator from Kansas and other Senators, the original maximum price has nothing whatsoever to do with the increase in cost.

Mr. BARKLEY. The maximum price fixed under the formula which is in the law, and which we do not disturb, may or may not, or might or might not, take into consideration increased cost of labor in the production of a given crop or a given commodity.

Mr. OVERTON. That is correct.

Mr. BARKLEY. So that so long as any crop is in the hands of the farmer upon which a maximum price may be fixed, such maximum price, after it has been fixed, according to the rigid formula of parity, is to be modified to take care of any increase in the cost of labor producing the crop, whether it is in the future or in the past.

Mr. OVERTON. Let me ask the Senator from Kentucky [Mr. BARKLEY] as one of the coauthors of the amendment if there would be any objection to stating, not merely the modification, but that the maximum price and modification thereafter made shall take into consideration increase in costs?

Mr. BARKLEY. I cannot answer the question on the spur of the moment.

Mr. OVERTON. What I want to do is to have the increased cost considered in first establishing the maximum price.

Mr. BARKLEY. Of course, that would change the parity formula.

Mr. OVERTON. No; it has no reference whatsoever to parity. We leave the parity undisturbed, but for the purpose of this joint resolution—

Mr. BARKLEY. I understand the Senator's point. The maximum price under that proposal would be the parity as fixed by the formula, plus any addition that might be allowed because of increased cost of labor.

Mr. OVERTON. That is true.

Mr. REED. Does the Senator from Louisiana still desire to ask a question?

Mr. OVERTON. If the Senator please.

Mr. REED. Has the Senator asked his question?

Mr. OVERTON. I have asked one, I think.

Mr. REED. May I answer that? At the present time the joint resolution, as it is before the Senate, authorizes the imposition of a maximum price, a ceiling, but not lower than parity or recent prices, whichever is higher. When that ceiling price is established our amendment requires—

That modifications shall be made in maximum prices established for any agricultural commodity * * * in any case * * * where by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established—

That is, prices already established—will not reflect such increased costs.

If that is not a mandatory direction to recognize the increased labor costs, or the labor costs, then I do not know how to write one.

Mr. OVERTON. Mr. President, the able Senator from Kansas perhaps does not understand me, because I perhaps did not make clear the point I am undertaking to make. The amendment does not provide that the maximum price, when fixed, shall take into consideration the increased cost. The amendment starts with the parity formula, or with the highest price formula, and the amendment disregards the increased cost. Then, hereafter in the future, modifications which may be made, will take into consideration increased costs.

Mr. REED. Mr. President, I think a complete answer to what the Senator from Louisiana says is that the parity formula has never been regarded heretofore as a cost-of-production formula. I do not want to wander too far off into a discussion of the parity formula.

Mr. OVERTON. I am not asking that the Senator do so.

Mr. REED. Just a moment, if I may finish. It might be constructed upon any one of three or four different premises or bases. Heretofore the parity formula has never been constructed on a cost-of-production basis. We have before us now a joint resolution which continues the present law, so far as parity is concerned. It does order the ceiling price to be either parity or the recent price.

whichever is higher. In addition to that, however, the President is directed by the use of the word "shall," to include—and let me read it again—

That modifications shall be made in maximum prices established for any agricultural commodity * * * in any case * * * where by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will not reflect such increased costs.

Mr. OVERTON. That is also clear, and the amendment suggested by the Senator does not disturb the parity formula.

Mr. REED. That is correct.

Mr. OVERTON. Neither does the modification of his amendment suggested by me. The only difference between us on this particular point is that I suggest that the maximum price, when originally established under the joint resolution, shall take into consideration existing increased costs of farm labor.

Mr. HATCH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Kansas yield to the Senator from New Mexico?

Mr. REED. I yield.

Mr. HATCH. The Senator from Louisiana has exactly stated the correct position. The Senator from Kansas states a negative proposition. Why can he not state it in the affirmative?

Mr. REED. I am afraid I should be wholly unable to furnish the distinguished Senator from New Mexico with a satisfactory reason why his amendment should not be adopted.

Mr. HATCH. I understand that; but I am really trying to get results. I am not interested in words or language. In fact, I am lost in the maze of words which appear in these amendments. I have tried to state a simple proposition reasonably and simply.

Mr. REED. The Senator from Maryland [Mr. TYDINGS] and I took the language of the senior Senator from Wyoming [Mr. O'MAHONEY], already accepted by the committee and incorporated in the joint resolution; and we have tried to protect the farmer in respect to his increased labor and other costs. We are very certain that we have succeeded. Far be it from me to say that the proposition could not be stated in some other way. It is stated in this way. I insist that under the language of this amendment the farmer would be protected in any ceiling price which might be fixed, in his parity price, or his higher price, with respect to any increased cost of labor or other costs.

Mr. HATCH. Mr. President, will the Senator further yield?

Mr. REED. I yield.

Mr. HATCH. I should like to have the Senator come back 6 months from now and tell us whether he is satisfied with the present formula.

Mr. REED. I do not like the present formula. I have already stated that at any time in the future, in this session of Congress or in the first session of the Seventy-eighth Congress, I shall be glad to join in revising the formula.

I am sure that the senior Senator from Iowa [Mr. GILLETTE], the senior Senator from Alabama [Mr. BANKHEAD], the senior Senator from Oklahoma [Mr. THOMAS], the junior Senator from Georgia [Mr. RUSSELL], and the Senator from New Mexico will be back here. Not having to come up for reelection, I shall be here.

Mr. HATCH. Mr. President, will the Senator further yield?

Mr. REED. I yield.

Mr. HATCH. Over the week end I worked as hard as I know how to work to try to find some reasonable solution to this problem. In substance I said that the farmer should be entitled to receive the production cost of the articles which he produces. Is there any objection to that?

Mr. REED. I shall be glad to discuss that question later. If I may proceed, I intend to recur later to the question of the formula.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. REED. I am glad to yield to my friend the Senator from Iowa.

Mr. GILLETTE. I know how sincerely and honestly the Senator from Kansas has approached this problem, and the purpose and motive behind the presentation of the amendment to which he has been addressing his discussion; but I should like to ask him, as a practical matter, how it could be worked. I preface my question with the statement that under the provisions of the joint resolution now pending the President may exercise any power or authority conferred upon him by the joint resolution through such department, agency, or officer as he shall direct.

Referring to the amendment presented by the able Senator and his co-sponsors, I read:

That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will not reflect such increased costs.

Who is to determine the question, when is it to be determined, how is it to be determined, and what weight is to be given to the various factors? What agency is to administer the authority? Under the Thomas amendment there is a definite fixation of authority which is to take into consideration the factor of labor costs. Under the amendment of the esteemed Senator and his collaborators, I ask him what agency is to do it, how is it to do it, when is it to do it, and what weight is to be given?

Mr. REED. I am glad to answer the Senator from Iowa. All through the joint resolution, as in the previous price-control measures, there has been a large delegation of authority. There is no greater delegation of authority in this joint resolution than appears in the two previous so-called price-control meas-

ures. The Bureau of Agricultural Economics keeps a constant check on prices and costs and reports them every month, so that information is always available. That is an executive department, directly under the control of the President. The President may be sure that if he or his Price Administrator does not reflect increased costs from month to month, or at such times as readjustments may be advisable, when the Bureau of Agricultural Economics shows the costs, the Senator from Iowa, the Senator from Oklahoma, the Senator from Montana, the Senator from New Mexico, the Senator from Alabama, or the Senator from Kansas will rise on this floor and ask, "How do you get that way?" Here is a plain direction to the President, written into the joint resolution, to do these things and to take into consideration labor and other costs.

Mr. GILLETTE. Mr. President, will the Senator be courteous enough to yield to me once more?

Mr. REED. Certainly.

Mr. GILLETTE. Is it not conceivable that before these facts are apparent and before the machinery to which the Senator has just referred is placed in motion and revolves sufficiently to bring results to the farmer or producer who has his crop ready to market, the marketing period will have passed?

Mr. REED. I am sure that the Senator from Iowa is so familiar with these things that he shares my feeling and belief—perhaps I might use the word, say, "hope"—that the President or his Price Administrator will move promptly. Certainly, if they do not do so, I shall be the first Senator to join any other Senator or group of Senators in ascertaining the reason for delay.

Mr. GILLETTE. Of course, I share that hope; and, of course, I am convinced that the executive department will be prompt; but the fact remains that under the Thomas amendment there is the placing of a definite authority under which action could be taken before the crisis arises. In the case envisioned by the amendment presented by the able Senator, it all depends on action taken in the future, if and when taken.

Mr. REED. Let me say to the Senator from Iowa that there is no need for a lag greater than 30 days. The Bureau of Agricultural Economics in the Department of Agriculture states these facts every 30 days. Let me say to the Senator from Iowa that if the Senator from Oklahoma were willing to allow us to vote upon this amendment first, if this amendment should fail, I am so much interested in obtaining justice for the farmer that I should vote for the amendment of the Senator from Oklahoma and the Senator from New Mexico. I think this is the best way to obtain it. If the Senate does not agree with me, and if upon a vote on this amendment preceding a vote upon the amendment of the Senator from Oklahoma this amendment should fail, I would vote for the amendment of the Senator from Oklahoma and ask every Senator who attaches any importance whatever to my opinion on these matters to join me in that vote. This

is a practical solution to the problem. I shall come back to that question a little later.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a statement showing the average hourly earnings of factory workers and the average farm wage rate per diem in the United States from 1910 to date; also a table showing farm wage rates and hourly earnings of factory workers in the United States, by quarters, from January 1935 to date.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Average hourly earnings of factory workers and farm-wage rate per day without board, United States, by years, 1910 to date

Year	Average hourly earnings of factory workers ¹	Average farm wage rate per day without board	Index of farm wage rates ²	Index of hourly earnings of factory workers
	Dollars	Dollars	(1910-14=100)	
1910.....	0.200	1.39	97	94.5
1911.....	.203	1.39	98	96.0
1912.....	.212	1.43	101	100.3
1913.....	.221	1.46	103	104.3
1914.....	.223	1.43	101	105.5
1915.....	.229	1.44	103	108.3
1916.....	.261	1.58	113	123.3
1917.....	.311	1.98	141	147.1
1918.....	.408	2.54	177	192.3
1919.....	.477	3.03	207	225.6
1920.....	.578	3.46	242	273.3
1921.....	.506	2.12	155	239.1
1922.....	.464	2.07	151	219.3
1923.....	.520	2.25	169	245.7
1924.....	.545	2.29	173	257.5
1925.....	.544	2.29	173	257.2
1926.....	.548	2.31	179	258.9
1927.....	.552	2.28	179	260.9
1928.....	.560	2.27	179	264.7
1929.....	.566	2.25	180	267.5
1930.....	.552	2.08	167	260.9
1931.....	.517	1.62	130	244.3
1932.....	.458	1.20	96	216.4
1933.....	.455	1.11	85	214.9
1934.....	.541	1.26	95	255.7
1935.....	.559	1.33	103	264.1
1936.....	.564	1.42	111	266.7
1937.....	.634	1.61	126	299.7
1938.....	.639	1.58	125	302.0
1939.....	.644	1.56	123	304.3
1940.....	.670	1.59	126	316.7
1941.....	.736	1.93	154	348.0
1942, July....	.850	2.45	196	401.7

¹ Reported by Bureau of Labor Statistics from 1932 to date; prior to 1932 converted to dollar figure from index.

² Based on farm wage rates per month with and without board and farm wages per day with and without board converted to a monthly basis. From these 4 wage rates a composite wage rate is secured by averaging the 4 rates together with regional weights based on the percentage of farm workers who are paid by the month with board and without board and by the day with and without board.

Division of Statistical and Historical Research, Bureau of Agricultural Economics.

Farm-wage rates and hourly earnings of factory workers, United States, by quarters, January 1935 to date

[Index numbers (1910-14=100)]

Year and month	Farm wage rates		Hourly earnings of factory workers	
	Unad-justed	Ad-justed for seasonal variation		
1935:				Cents
January.....	93	97	263.2	55.7
April.....	100	102	265.5	56.2
July.....	106	103	264.1	55.9
October.....	108	105	262.4	55.6

Farm-wage rates and hourly earnings of factory workers, United States, by quarters, January 1935 to date—Continued

[Index numbers (1910-14=100)]

Year and month	Farm wage rates		Hourly earnings of factory workers	
	Unad-justed	Ad-justed for seasonal variation		
1936:				Cents
January.....	100	104	266.1	56.3
April.....	106	108	266.1	56.3
July.....	114	111	265.5	56.2
October.....	116	113	265.5	56.2
1937:				
January.....	110	115	277.3	58.7
April.....	120	122	297.4	62.9
July.....	131	127	306.3	64.8
October.....	134	130	309.5	65.5
1938:				
January.....	118	123	308.0	65.2
April.....	121	123	303.4	64.2
July.....	129	125	298.3	63.1
October.....	126	122	299.7	63.4
1939:				
January.....	117	122	304.3	64.4
April.....	121	123	303.4	64.2
July.....	126	122	301.1	63.7
October.....	126	122	305.5	64.6
1940:				
January.....	119	124	313.2	66.3
April.....	124	127	314.4	66.5
July.....	129	125	315.2	66.7
October.....	129	125	318.1	67.3
1941:				
January.....	124	129	325.6	68.9
April.....	138	141	334.5	70.8
July.....	160	155	351.7	74.4
October.....	165	160	363.8	77.0
1942:				
January.....	166	173	378.4	80.1
April.....	177	181	387.1	81.9
July.....	202	196	401.7	85.0

Division of Statistical and Historical Research, Bureau of Agricultural Economics.

Hourly earnings of factory workers compiled from reports of Bureau of Labor Statistics.

Mr. REED. Mr. President, before I overlook it, I wish to say that, as one of the coauthors of this amendment, I am perfectly willing to accept a definite date in the amendment from which the increased costs shall be computed. I cannot give a final answer committing my associates, including the majority leader. This idea was conceived by me and worked out by the Senator from Maryland [Mr. TYDINGS] and myself. We conferred at that time with the Senator from Oklahoma [Mr. THOMAS], the Senator from Kentucky [Mr. BARKLEY], the Senator from Oregon [Mr. McNARY], the Senator from Iowa [Mr. GILLETTE], the Senator from Alabama [Mr. BANKHEAD], and other Senators. I am willing to put in a date from which the increased costs shall be computed.

The other day the senior Senator from Georgia called attention to that omission; I stated then that I was willing to have such a date put in. I repeat the statement today. I think it advisable before final action on the amendment be taken, that we include a date from which the increased costs shall be computed.

Mr. President, I have in my hand an index of wholesale prices of all commodities and the cost of living, by years, from 1910 to 1942. I shall not take much time on this matter, but I desire to call attention to the unnecessary fear which has been instilled in the minds of

the people of the country and, to me, the needless alarm which has been created by the language used by the President of the United States in his message on Labor Day. The facts, as I discussed them in the Senate last week, do not justify such fear or alarm. The table which I shall ask to have inserted in the RECORD shows how needless such fear or alarm is when the data are brought down to the nearest date—August of this year—for which we can have statistics. From January of this year to August of this year wholesale prices of all commodities rose from an index of 140.1 percent, in January, to 144.8 percent—an increase of 4.7 points in the index of wholesale prices.

As is known by those familiar with these matters, the cost of living rises more slowly and falls more slowly than does the index of wholesale prices; wholesale prices move faster than does the cost of living. In January of this year the cost of living was 162.3, and in August it was 170.1. In the interval from January to August the cost of living increased only 5 percent. There is a difference of 8 points between the index figures, but those 8 points are to be applied to a base of 162. That is one-twentieth, and the cost of living has actually increased only 5 percent. The table to which I refer was prepared for me by the Bureau of Agricultural Economics since the recess of the Senate last Friday and was handed to me this morning. I ask unanimous consent that the table be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Indexes of wholesale prices of all commodities and cost of living, by years, 1910-42

[1910-14=100]

	Wholesale prices of all commodities	Cost of living
1910.....	102.8	95.5
1911.....	94.7	98.6
1912.....	100.9	99.7
1913.....	101.9	102.5
1914.....	99.4	104.1
1915.....	101.5	105.1
1916.....	124.8	112.9
1917.....	171.5	132.8
1918.....	191.7	155.8
1919.....	202.3	179.4
1920.....	225.4	207.2
1921.....	142.5	185.1
1922.....	141.2	173.5
1923.....	146.9	176.7
1924.....	143.2	177.1
1925.....	151.1	181.7
1926.....	146.0	183.2
1927.....	139.3	179.7
1928.....	141.2	177.7
1929.....	139.1	177.5
1930.....	126.1	173.0
1931.....	106.6	157.5
1932.....	94.6	141.4
1933.....	96.2	133.9
1934.....	109.3	138.7
1935.....	116.8	142.2
1936.....	118.0	143.6
1937.....	126.0	148.8
1938.....	114.7	146.1
1939.....	112.6	144.1
1940.....	114.7	145.2
1941.....	127.4	152.6

Indexes of wholesale prices of all commodities and cost of living, by years, 1910-42—Con.

[1910-14=100]

	Wholesale prices of all commodities	Cost of living
1942:		
January.....	140.1	162.3
February.....	141.2	163.6
March.....	142.5	165.7
April.....	144.1	166.8
May.....	144.2	168.1
June.....	143.9	168.7
July.....	144.1	169.4
August.....	144.8	170.1

Bureau of Agricultural Economics, U. S. Department of Agriculture, Division of Statistical and Historical Research.

Mr. VANDENBERG. Mr. President, let me ask the Senator the meaning of the 5 percent to which he has referred.

Mr. REED. The 5 percent figure applies to the increase in the cost of living between January 1942 and August 1942. In January the base index figure was 162.3. By August it had risen to 170.1—an increase of 5 percent. The increase is 8 points, but that is 5 percent of the base.

Mr. President, I have about concluded. I have come to what I want to say finally. There are three things which the Senator from Maryland [Mr. TYPINGS] and I discussed at my desk when we prepared the amendment last Wednesday. First, we wanted to give the farmer protection against his increasing costs of production, whether they be labor costs or other costs. I think we have done that. We have done it as well as earnest men can do a job.

Secondly, we preferred this method because we are told on fair authority, I think, that this method included in the joint resolution would be acceptable to the President of the United States. We prefer it that way because for the first time the joint resolution contains a direction to the President to take notice of wages and to stabilize them. That is what we have been asking for all this time. For more than a year Senators on this floor, including myself, have pointed out the futility of trying to control prices without controlling wages, which constitute the largest factor relating to all costs.

Thirdly, Mr. President, this is no time to bring on a needless conflict with the President of the United States. This is no time, if it can be avoided, to bring about a controversy over perhaps some constitutional power. If we can secure protection of the farmer without such unnecessary conflict, why not do so? We can do so, so I am told. The amendment, as drawn, even including a date, which I am willing to put in, is still not unacceptable to the President. He has said that the other form would be unacceptable. I am no rubber stamp for the President; God knows, everyone should know that. However, I want to use common sense; I do not want to invite unnecessary controversy.

We are about to do an important thing here today. We are in the midst of a world war, and here is a crisis. If

we were to bring on an unnecessary conflict between the President and Congress, we should be doing something unnecessary and, to me, unwise. I appeal to the Senate not to do so.

A thousand years ago a learned Persian wrote the following lines, lines which have truth today as well as then: The Moving finger writes; and, having writ, Moves on; nor all your Piety nor Wit Shall lure it back to cancel half a Line, Nor all your Tears wash out a Word of it.

Mr. President, whenever the question comes to a vote I hope there will be no action which will call for cancellation, and no word used which will need tears to wash it out.

Mr. VANDENBERG. Mr. President, I should like to ask the Senator from Kansas a question before he takes his seat.

Mr. REED. Certainly.

Mr. VANDENBERG. If the Senator's substitute would accomplish the result he describes, what is the difference between that result and the result which would be accomplished by the Thomas amendment?

Mr. REED. Let me say to the Senator from Michigan that, practically, the difference between them is the difference between tweedle-dum and tweedle-dee.

Mr. VANDENBERG. That is what I thought.

Mr. REED. A great face-saving race is now going on. The farm organization leaders, who have gotten rather far out on a limb, want to save their faces. Not being an administration confidant, I say from my own knowledge that the administration wants to save its face. I am willing to have both of them save their own faces.

Mr. BUTLER. Mr. President, I desire to speak only briefly about the problem which has been under consideration on the floor of the Senate for some time, and which is of the greatest importance, not merely to one section or to one class of this country but to every man, woman, and child. That problem is the question of our national food supply.

I shall not talk about the rights and interests of the farmers. Heretofore I have spoken for the farmers often enough, and they know that my sympathies still lie with them, without being told again. Neither shall I discuss the equities of the President's proposals on price fixing. The able senior Senator from Wyoming [Mr. O'MAHONEY] and many other Senators have shown clearly how unjust are the present price and wage relationships which the administration proposes to freeze. Surely no fair-minded person can believe any longer that farmers are profiteering from the war effort. Surely no one can doubt now that under the present economic set-up the farmers still have the short end of the deal.

However, that is not what I wish to emphasize today. Those problems—problems of price relationships and of differences in living standards—are important, but they are no longer our major problems. If nothing else were at stake in this controversy than the rights of the farmers, I should be inclined to go along with the wishes of the administration; but what is at stake—

the question of our national food supply—is vastly more important.

The blunt fact is that at the present time our farm workers—seasonal labor, hired men, farm boys and girls, and even farm operators—are being drained off the farms by the Army and by the unreasonably high wages of war industries and other manufacturing plants. Nothing we have been able to do to date has stopped or even halted that trend.

That fact, I believe, has been recognized by every responsible official of the Government. Only a few days ago, Secretary Wickard made a special appearance before a House committee to deal with that subject. At that time he stated:

Assuming an Army of 8,000,000, it is estimated that agriculture will lose 1,000,000 persons from its working force before July 1, 1943. By the end of the 1943 harvest season, the total drain upon agriculture will, of course, increase proportionately.

Those estimates, says Secretary Wickard, are altogether conservative.

Mr. Fred Wallace, Triple-A Administrator, is not conservative. In a recent magazine article, he speaks of two and a quarter million men from the farms for an Army of 10,000,000; and that does not include those who will go into industry. In Nebraska it is estimated that for each man entering the armed services, two more go into defense work.

I could give many examples which would bring the situation vividly and dramatically before the Senate. Every day I receive letters from persons in my State, many of whom are not farmers themselves, but who write merely as public-spirited citizens, calling attention to the danger to our food supply. One friend, a former Governor of Nebraska, has given me a list of the operators of the 20 ranches located within a 7-mile radius of his own. In nearly every case the ranches are operated by or with the help of men of draft age. Labor is almost impossible to hire at rates which the operators can afford to pay. Six of them operate on their own, and have no children. When they are called, their ranching operations will be discontinued. Six more, having children, are so essential in the work they are doing that when they are called, the herds will be dispersed or greatly reduced. The approximate number of cows carried on these ranches is 4,350. I estimate that when the married men of draft age referred to are called, the number of cows continuing to be run will be reduced to not over 2,300. My friend concludes his summary by stating "the facts recited have no exceptional application to the community mentioned. They exist throughout the entire range country."

Mr. NORRIS. Mr. President, will my colleague yield at that point?

Mr. BUTLER. I am glad to yield.

Mr. NORRIS. I should like to ask my colleague if the condition which he has so well described—and I think the description is accurate—will be affected in any way by the particular legislation now pending. If we adopt either one of the pending contested amendments, what effect will it have upon the drafting service

when they are taking into the Army men they ought to leave on the farm?

Mr. BUTLER. My object in bringing attention to the situation is merely to emphasize the importance of the food supply which the farmers of the Nation are providing.

Mr. NORRIS. I agree with my colleague that it is a condition which must be remedied; I agree with every word he has said about the danger of a food shortage; but I cannot see how either one of the pending amendments will affect the situation. If there are taken from the farm and placed in the Army men who ought to be on the farm in order to produce the food which is necessary, the food will not be produced; the land will lie idle, and farm operations, to a very great extent, will have to cease.

Mr. BUTLER. In the illustration I am using, the connection is that if the food supply is to be provided, as it must be, or else we lose the war, farm workers cannot be obtained without paying wages which are comparable to the wages being paid in industry.

Mr. NORRIS. If all the men are taken by the Army, what difference will it make how much wages are paid if the men are not there?

Mr. BUTLER. With my colleague, I think that it would make a great deal of difference.

Mr. President, no such mass migration from the farms can occur without causing a food shortage. That should be obvious to everyone. I do not think consumers realize how extremely fortunate they have been because of the favorable weather which has prevailed this year. Good pastures and good crops have helped provide record yields and have prevented really serious shortages from developing, but we would be fools to count on such favorable weather again. Remember that it is the food supply for the East and the great industrial centers about which I am talking. It is only the surplus from the farming regions that goes to the consuming centers. The farmers will still be growing enough for themselves and their families long after city consumers have gone on short rations.

So the problem of keeping the laborer on the farm is a national problem, not a farm problem. I do not know how it can be done, other than by paying him as much as he could earn elsewhere; and I do not know how the farmer can do that unless the price he receives covers his costs. I suppose the Government could freeze labor on the farms, if it had the conscience to force a man to labor for 30 cents an hour producing cheap food for his brother in the city, who makes 75 cents to a dollar or more an hour. We could probably pass such a law, if we are willing to consider anything so radically unfair, but I do not know that the labor we would get in that way would be worth anything.

Personally, at this time of crisis I do not like to have to stand here and talk about the interests of the farmer or any other particular class. I would rather not support a measure sponsored by some one economic group, no matter how thoroughly justified their request, against

the wishes of our Commander in Chief. But the responsibility of the farmers of this country for feeding this Nation and our Allies is tremendous. I wish the cities could grow their own food, so that our farmers could be free to do the fighting. But we cannot dodge our responsibility. The farmers must have competent labor to help them; and I do not know how they can get it unless they can find the money with which to pay farm labor what it can earn somewhere else.

If the administration could give some assurance that adequate steps would be taken, without raiding the Federal Treasury, to make the necessary labor supply available, I should be content to go along with the administration's program. But no such assurance has been given, and I am afraid it cannot be given. Secretary Wickard, in his testimony before the House Committee on Agriculture the other day, made a number of excellent suggestions in outlining the Department of Agriculture's program. It is clear that many officials of the Department have given a great deal of study to the problem. But after he had concluded, it was still clear that there was no reason to expect that the steady drain of farm workers into industry and into the Army would be stopped.

To many of the suggestions with respect to this problem are either the product of wishful thinking or relate to makeshift arrangements which cannot possibly fill the gap. Secretary Wickard suggested, for example, that war industries should recruit more of their workers from the cities instead of from the farms. That is a splendid idea, but how is it to be done? What can keep a man on the farm if he knows he can make five times as much in a munitions factory? The Secretary of Agriculture also urged deferment of as many experienced farm managers as possible. That would be excellent, but many of us have been urging that for a year or more, and nothing has come of our urgings to date. Then he fell back on the makeshifts. If experienced, able-bodied men are moving to the cities, inexperienced city men, women, and children must be trained and sent to the farm, according to the plans of the Department of Agriculture.

It must be obvious that none of these approaches faces the problem frankly. We might as well be clear-headed about it. It is idle merely to hope that things will turn out all right. Farm work demands the strength of an able-bodied man. It requires the experience and skill of a trained worker, born and bred on the farm. It cannot be learned in a few minutes or a few weeks, and most of it must be done without direct supervision. On the other hand, many industrial operations are routine, can be quickly learned, do not require physical strength, and are carried on directly under the eye of a foreman. Such jobs in manufacturing and distribution are the ones that can be filled by city men, women, and children, but experienced and essential men must be left on the farms if our people are to have enough to eat.

Mr. President, I know we must expect shortages of many things. It is not possible to raise an army of the size we

are contemplating and equip it with the modern machines of war without draining labor and materials and everything else from civilian industries. But should labor for the war effort be drawn from the farms first? We can get along for a long time on last year's house, last year's furniture, and last year's bric-a-brac, but we cannot even do one good day's work on yesterday's food. The farm is, in fact, the one place where we dare not risk a shortage of labor. Yet agriculture's requirements for labor seem to be the last to be considered, and it is only agriculture that is required to make out with stop-gaps and makeshifts.

Practically speaking, I think we shall all soon realize that the question is not, Shall we keep men on the farms? The declining stream of food to the cities will answer that question for us. I strongly suspect that it will be the cities where the pinch will be felt first and that the cities will demand most earnestly that experienced farmers be sent back to the farms to produce what the cities most need. When that day comes, we shall stop worrying about parity or the price of this or that, and try to answer the more fundamental question, How is the farm-labor force to be maintained? Shall we force farm workers to go back and work at one-third the wages they could make in industry? Or shall we make up the difference in Federal subsidies? Or shall we expect the consumer to pay the farmer at least what it costs to produce the food?

I do not think we shall try to force any man to work at less than a fair wage, by freezing him on the farm or by any other means. No person denies the fact that farm wages are far below those of industry. As a practical matter, I think we shall have to choose between (1) letting the Government pay the difference through subsidy, or (2) requiring the consumer to pay the cost of production. The plain fact is that the consumer at the present time is in a far better position to pay than the Government which may have already assumed more burdens than it can bear. My vote for the Thomas amendment, therefore, is a vote against the new Government subsidies which will have to be provided if returns to the farmer are to cover costs. Farmers are pretty tired of Government subsidies and pretty tired of being accused of raiding the Treasury. All they ask is a price to cover their costs and to give them a subsistence income for the duration of this war. That is all the pending amendment provides. For that reason, I shall support the Thomas-Hatch amendment.

Mr. O'DANIEL. Mr. President, I ask unanimous consent to have printed in the RECORD an address I broadcast over the radio last night touching the subject matter of pending joint resolution, as well as a number of telegrams I have received in relation to the same subject.

There being no objection, the address and telegrams were ordered to be printed in the RECORD, as follows:

How do you do, ladies and gentlemen, and hello there, boys and girls. This is Senator W. LEE O'DANIEL, of Texas, speaking direct from your Nation's Capital, Washington, D. C.

I am glad to have this opportunity to discuss with you a matter of vital importance to our Nation. It is Senate Joint Resolution No. 161, referred to sometimes as the second price control bill, or an antinflation bill. This is part of the legislation that our Chief Executive told us we must enact before October 1, or he would act himself. That statement by our President has aroused much comment.

Now it may be that I do not have in my possession a late, revised copy of the Constitution of the United States, but according to the copy which I do have, the authority to make laws still rests in the hands of the legislative department of government and not in the executive department of government, and I want to state plainly that it is my opinion that any basic change in our form of government should be accomplished by the action of the majority of our citizens, and until such action by the people has been taken, I intend to continue to discharge my duties as a United States Senator in strict accordance with our Constitution. Some people who believe in using the war emergency to put over social reforms and class legislation may try to make us believe that this pending legislation is a war measure. I cannot classify it as a war measure because I know that we could fight a foreign enemy whether we enacted this piece of legislation or not. As proof of this contention, I point to the fact that we have fought several wars before without having such legislation—and incidentally, we won those wars.

I am not adverse to giving post-war conditions and possibilities some consideration now, but I believe it would be wise for the Congress to be more deliberative in considering such important measures and not try to rush them through under the guise of war measures. While, in my opinion, this price-control bill is not a war measure, yet I realize of course that almost every piece of legislation enacted now, and almost everything we do may have some effect on the war. The main issue in this bill now pending is whether we will deal as fairly with our great agricultural classes of our population as we have dealt with other classes. I objected to price control when it was originally presented several months ago because I was of the opinion that to inaugurate a system of controlling prices through orders issued by some Government bureau would result in building one of the largest departments the Government had ever had and that this department would absolutely hold the power of life and death over all American business. Incidentally, it also has its political implications and dangers. I expressed the opinion that if, instead of attempting to control prices by bureaucratic board orders, we would proceed to pass an adequate tax bill and allow the Government to recapture all excess earnings of corporations and all excess earnings of individuals, we need not have any grave fears, at least for the immediate future, insofar as inflation was concerned. I also objected to the original price-control bill because I considered it very unfair to our great agricultural population, and I voted for the final enactment of that legislation only after working with some of the Senators and getting some protective amendments included which were more favorable to the farmers and ranchers of our Nation. We are now told that the original Price Control Act which we passed is inadequate. We are told that our agricultural population must be further penalized by reducing the maximum price limits on agricultural products. It seems to me, however, simple justice requires that in any effort to stabilize prices, the farmers, the cattle raisers, the sheep and goat raisers, the dairymen, poultry raisers, and those who produce fruits and vegetables should be given a fair deal. The main controversy in the pending measure is whether the maximum prices of farm products shall be restricted to 100 per-

cent of so-called parity or permitted to sell high enough to return to the producer the cost of farm labor necessary to produce such farm products. It is certainly my opinion that it is only honest and fair for those prices to include the cost of labor employed in producing such products.

Our Government makes contracts with industrialists for the production of buildings and war weapons on a cost-plus basis, which means that the Government pays the cost of everything entering into the manufacture of the finished product, including the cost of all labor, and then on top of that pays the producers a profit. Our farmers are not asking for a cost-plus contract to produce the food and clothing needed for our armies, our civilian population, and for our Allies. They are willing to produce the food and clothing at cost, but the proponents of this price-control bill want to use "parity prices," and the present formula for determining "parity prices" does not include the cost of farm labor. It sounds preposterous that a formula for figuring farm-product prices would be established that left out of the computation, the cost of such an important factor of cost as farm labor, yet that is the fact. As proof of that statement, I refer you to the exact words of one of our best informed Senators made on the floor of the Senate as follows: "The present parity formula is only a principle. There is no law vitalizing that principle. The parity principle is stated in the broadest language. It merely includes interest, taxes, and freight rates. It does not include labor."

Now I ask all of you businessmen who are familiar with figuring costs to visualize a cost system to determine the price of wheat, oats, corn, beef cattle, cotton, and other farm products that employs a principle that merely includes interest, taxes, and freight rates, and does not include the cost of labor. The big controversy in the Senate is therefore over the adoption of what is known as the Thomas-Hatch amendment, and in order that you may be sure to understand exactly what this Thomas-Hatch amendment is, I will read it to you. Here it is: "For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law, but shall also include all farm labor." Now, friends, I am in favor of that Thomas-Hatch amendment because I think it is only fair that the cost of farm labor should be included in the cost of farm products. I am also in favor of it because if the cost of farm labor is not included, our farmers simply cannot continue to operate the farms and produce the food and clothing, and the time may come when we will have a serious shortage of something to eat, and something to wear.

I would like to take time here to give you some facts and figures which prove that the farmers of this Nation are not financially able to hire labor to raise food and stand the loss themselves. The figures are really astonishing, but they are authentic as published by the United States Government. In the year 1910, 35.1 percent of our population lived on farms. Today only 22.5 percent live on farms—the lowest percentage in our history. Since 1910 our population has increased from 91,000,000 to 132,000,000. Today our lowest percentage of farm population in history is expected to feed and clothe the largest population in the history of our Nation, and in addition to that, these few farmers are expected to provide food and clothes for many of our allies in this war. This migration from the farms of this Nation was caused simply because those farmers could not make a living on the farms, and they had to go elsewhere to make a living. Our farm population is also in the lowest income brackets. It is indeed shocking to look at the statistics. The per capita income of our farm population for the 23 years from 1910 to 1932, inclu-

sive, totaled only \$4,191, while the per capita income of our nonfarm population for the same period of time was \$15,494. This gave the farmer only 21.2 percent and the non-farmer 78.8 percent. That starvation income, friends, was so low and so ridiculous that our Federal Government in 1933 set up a system of parity prices and parity payments to farmers intended to benefit our farm population and although our Federal Government has paid out on this farm program \$3,358,000,000 during these 9 years, the percentage of the per capita income of our farm population for these years of 1933 to 1941, inclusive, has remained at exactly the same low figure of 21.2 percent as it was in the previous period of 1910 to 1932, inclusive. And on top of this deplorable low income for farmers, during the last 20 years, the farmers of America have lost more than one-half of their capital, or equity, in their farms and equipment. Their equity has decreased during the last 20 years from \$68,000,000,000 to \$33,000,000,000.

Our American farmers and ranchers are in a most deplorable financial condition, and right at the time when we need them most they are more impoverished than ever before in the history of our Nation. Texas is the largest agricultural State in the Nation, yet in the last 10 years 95,978 tenant farmers have left the farms to take up other lines of work where they could make a living, and that is about one-third of the tenant farmers we had in Texas in 1930. The exact number of tenant farmers in Texas in 1930, according to the census statistics, was 292,063, and in 1940 it was 196,085. Tenant farmers are farmers who actually till the soil but do not own the farms. The owners of the farms, deserted by the tenants, must either hire farm labor to operate them or let them lay out of production. In order to hire farm labor, the farm owner must pay wages in competition with factory wages, because there is now a shortage of labor, and factory wages have advanced from 20 cents per hour in 1910 to 73.6 cents per hour in 1941. It is this shortage of labor and increased industrial wages that has changed our whole farm problem, and this grave and dangerous farm problem is staring us in the face right now. We have another class of farms. It is the farmer-owned and farmer-operated farms. These farms are generally operated by the whole family. Most of the young men on these farms have gone into the armed forces of our Nation, and many of the young women have gone into the airplane factories and other factories and offices to help carry on the war effort. This leaves only the old folks at home on their farms. They are unable to operate the farms alone and must pay competitive wages to get help. Factory wages are high, and farming is unprofitable; hence thousands of our good farmers are selling their dairy herds for slaughtering purposes, and, for the same reasons, poultry raisers are selling off their flocks. This situation at present is indeed dangerous and alarming. Our citizens who are left on the farms are the salt of the earth—they are truly patriotic. They are not threatening to strike—that thought has not entered their minds. They want to produce to the limit of their ability. But, regardless of their patriotism and their desire to keep up farm production, they simply cannot plow and sow and reap unless they can hire farm labor; and if they hire farm labor, they must pay current labor wages; and if they hire labor, they must get a price for their farm products that will include the cost of all labor. One-hundred-percent-parity prices does not include farm labor. The Thomas-Hatch amendment directs that farm labor be included. The House of Representatives has passed the measure, including the same amendment, by an overwhelming vote of 284 to 96. It is predicted that the Senate will defeat the Thomas-Hatch amendment tomorrow. In my opinion, the defeat of that

amendment will be a severe blow to agriculture, and, as I said before, it may mean a shortage of food. It seems to me that we are having enough shortages of essential materials and products in this country at this time. I feel sure that most Senators appreciate hearing from their constituents back home on important matters like this, and I trust that all of you folks will give the problem your serious consideration; and, if you think advisable, wire your Senators today your views on the subject.

This is Senator W. LEE O'DANIEL, of Texas, speaking from Washington and wishing you all a most pleasant good afternoon.

BRYAN, TEX., September 28, 1942.

SENATOR W. LEE O'DANIEL,
Senate Office Building;

Members of this association numbering over 8,000 are looking to our Senators for help and protection in this time of dire need. We do not advise you as to your position on this bill, but we feel that you will act wisely in protecting the interest of the cotton farmer.

TOM FIELD,

Barzoo Valley Cotton Growers' Association.

HENDERSON, TEX., September 28, 1942.

HON. W. LEE O'DANIEL,
Washington, D. C.:

Suggest you support Thomas amendment to price stabilization bill.

RUSK COUNTY FARM BUREAU FEDERATION,
C. L. CRIM, President.
BURRIS E. DORSEY, Secretary.

ODEM, TEX., September 28, 1942.

HON. W. LEE O'DANIEL,
Senate Building, Washington, D. C.:

Stand pat or go hungry.

E. C. CALDWELL.

MOSCOW, IDAHO, September 27, 1942.

SENATOR W. LEE O'DANIEL,
Washington, D. C.:

As president of the News Review Publishing Co. which publishes the largest circulating afternoon newspaper in North Idaho, may I thank you for your speech. The farmers of this locality are seeing their crops lying on the ground, unable to harvest them for lack of help, while at Bayview, a few miles away, the Government is paying \$11 a day for laborers grubbing stumps, \$15 a day for dishwashers, and \$20 a day for carpenters, and so on. It is this exorbitant wage scale that is causing what inflation there may be, and if it is not controlled, Americans are very apt to go hungry in 1943. The farmers of this county are getting a bit tired of the fantastic political moves of the New Deal, and will welcome a change. May I suggest that you show this wire or make copies of it and give one to every Senator in Washington. A return to the simple fundamentals of the Constitution is the only thing that will save our beloved America in this hour of its greatest crisis. The farmers of North Idaho, are behind you.

DR. FRANK B. ROBINSON.

PADUCAH, TEX., September 28, 1942.

SENATOR W. LEE O'DANIEL,
Washington, D. C.:

Cottley County Farm Bureau thinks labor cost should be included in arriving at parity for farm prices.

G. A. MAYES, President.
HOMER NICHOLS, Secretary.

NEW YORK, N. Y., September 27, 1942.

HON. W. LEE O'DANIEL,
Senate, Washington, D. C.

Commending you on your speech on the farm prices.

RAYFORD.

HASKELL, TEX., September 28, 1942.

HON. LEE O'DANIEL,
Member, United States Senate,
Washington, D. C.:

We sincerely ask you to fight for 100 parity, including labor cost to farmers.

WEINERT FARM BUREAU FEDERATION,
FRANK OMAN, Chairman, Weinert, Tex.

GEORGETOWN, TEX., September 28, 1942.

HON. LEE O'DANIEL,
United States Senator,
Washington, D. C.:

Am mailing you tomorrow a petition with 145 signatures protesting the reduction of ceiling prices on farm products below 110 percent of parity.

R. A. JAEGER, Jarrell, Tex.

PLANO, TEX., September 28, 1942.

Senator W. LEE O'DANIEL,
Senator, Washington, D. C.:

Farmers of this community urge you to fight for Thomas-Hatch amendment to Price Control Act. Farm labor costs have risen 100 percent. This must be taken into parity formula if we are to have maximum production in 1943.

PLANO FARM BUREAU,
JOHN D. WELLS.

WAXAHATCHIE, TEX., September 26, 1942.

Senator W. LEE O'DANIEL,
Washington, D. C.:

The farmers of Texas will make as great a sacrifice toward winning the war as any group, but with limited finance, and when the price of products will not pay living costs and rising labor costs, how can they continue to produce? We only ask for an equal opportunity.

ELLIS COUNTY AGRICULTURAL ASSOCIATION,
C. H. PIGG, President.

ORANGE, TEX., September 26, 1942.

Senator W. LEE O'DANIEL,
United States Senate,
Washington, D. C.:

We urge you to support the Hatch-Thomas amendment to price-control bill, which would include cost of farm labor in parity formula.

AMERICAN RICE GROWERS
COOPERATIVE ASSOCIATION.

ORANGE, TEX., September 26, 1942.

Senator W. LEE O'DANIEL,
United States Senate,
Washington, D. C.:

We urge you to support the Hatch-Thomas amendment to price-control bill, which would include cost of farm labor in parity formula.

JOE HARMON.

ORANGE, TEX., September 26, 1942.

Senator W. LEE O'DANIEL,
United States Senate,
Washington, D. C.:

We urge you to support the Hatch-Thomas amendment to price-control bill, which would include cost of farm labor in parity formula.

ELROY CROOK.

CORSICANA, TEX., September 26, 1942.

Senator W. LEE O'DANIEL,
Washington, D. C.:

The past 10 years Congress has given the President every piece damnable destructive legislation requested to create laziness, thriftlessness, indifference to our American way of life. Now, when feeble attempt at legislation is made, Congress twiddles thumbs, saying to whom are you demanding, while our boys die and prices soar.

E. W. HABLE.

WICHITA FALLS, TEX., September 27, 1942.

W. LEE O'DANIEL,
United States Senator,
Washington, D. C.:

Utmost importance to consider labor in deriving parity for farm commodities. Food shortage certain if labor not maintained on farm. Farm operators selling daily, due to shortage of labor in this district.

LOYD D. BARBOUR,
Director, Texas Farm Bureau
Federation, Iowa Park, Tex.

JAYTON, TEX., September 26, 1942.

HON. W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:

Vote for 100-percent parity plus cost.

W. C. LONG,
Girard, Tex.

ASPERMONT, TEX., September 26, 1942.

HON. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.:

Respectfully urge you support 100-percent parity plus cost of labor for farm prices. Labor costs have soared from 100 to 200 percent in past 12 months, caused partly from administration's attitude on union labor situation. Farmer will have to meet competition on labor in order to produce food requirements.

ROY G. ANDERSON, County Judge.
R. L. SPRINGER, Mayor.

ASPERMONT, TEX., September 26, 1942.

HON. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.:

Stonewall County Farm Bureau urges your support of full parity prices to agriculture including farm labor in arriving at parity. This is necessary to maintain adequate agricultural production.

STONEWALL COUNTY FARM BUREAU,
T. E. HART, President,
EVIN G. HOLSTON, Vice President,
E. G. ALLWAY, Secretary.

SPUR, TEX., September 26, 1942.

Senator W. LEE O'DANIEL,
Washington, D. C.:

Would like to include labor in bill coming up in next few days. Farmers in this area are behind you.

TEXAS FARM BUREAU OF KENT COUNTY,
L. R. REID, Member.

JAYTON, TEX., September 26, 1942.

HON. W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:

Vote for 100-percent parity plus cost.

JOE HUNNICUTT,
Girard, Tex.

JAYTON, TEX., September 26, 1942.

W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:

Vote for 100-percent parity plus cost.

S. E. SHERER,
Girard, Tex.

JAYTON, TEX., September 26, 1942.

W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:

Vote for 100-percent parity plus cost.

GEORGE SPRADLING,
Girard, Tex.

JAYTON, TEX., September 26, 1942.

W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:

Vote for 100-percent parity plus cost.

A. G. DYER, Girard, Tex.

JAYTON, TEX., September 26, 1942.
W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:
Vote for 100-percent parity plus cost.
G. L. HAMILTON, *Girard, Tex.*

ORANGE, TEX., September 26, 1942.
Senator W. LEE O'DANIEL,
United States Senate,
Washington, D. C.:
We urge you to support the Hatch-Thomas amendment to price-control bill which would include cost of farm labor in priority formula.
ED SHANNON.

ORANGE, TEX., September 26, 1942.
Senator W. LEE O'DANIEL,
United States Senate,
Washington, D. C.:
We urge you to support the Hatch-Thomas amendment to price-control bill which would include cost of farm labor in priority formula.
A. W. PEVETO.

ORANGE, TEX., September 26, 1942.
Senator W. LEE O'DANIEL,
United States Senate,
Washington, D. C.:
We urge you to support the Hatch-Thomas amendment to price-control bill which would include cost of farm labor in priority formula.
LAWRENCE BROUSSARD.

JAYTON, TEX., September 26, 1942.
Hon. W. LEE O'DANIEL,
Member of Congress,
Washington, D. C.:
Vote for 100-percent parity plus cost.
C. M. STINNETT, *Girard, Tex.*

ITHACA, N. Y., September 28, 1942.
Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:
Have just listened to your broadcast on price-control bill and need of including cost of farm labor in parity formula. You are absolutely correct. Based on cost of living, New York factory workers now have a parity of 195 percent compared to farm parity of 100, which does not include cost of farm labor. New York farm prices now 50 percent above 1910 to 1914, but farm wages are over 100 percent higher and weekly earnings of factory workers 217 percent higher than base period. Food production will decline, for farmers cannot compete with cost-plus industry in employing labor. Our organization, representing more than 100,000 New York State farmers, strongly urges you continue fight for inclusion farm wages in parity formula.

NEW YORK STATE CONFERENCE
BOARD OF FARM ORGANIZATIONS,
E. S. FOSTER, *Secretary.*

DUMAS, TEX., September 26, 1942.
Hon. W. LEE O'DANIEL:
We urge you to support and use your influence to secure passage of bill that includes farm-labor cost and the parity formula, that definite ceilings be provided on wages at a comparable level with ceiling on farm prices.
MOORE COUNTY FARM BUREAU,
H. E. HELTON, *Secretary.*

SPUR, TEX., September 25, 1942.
Senator W. LEE O'DANIEL,
Washington, D. C.:
This is to remind you that a majority of farmers in this area endorse the policy of our farm leaders in Washington, and do not believe that their demands are against the best interests of the country as a whole.
DICKENS COUNTY FARM BUREAU,
BOB HAHN, *President.*

DALLAS, TEX., September 25, 1942.
Hon. W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.:
Re Joint Resolution 161: We believe rate control for motor carriers should be assigned to Interstate Commerce Commission. We favor freezing of wages if farm prices are frozen at parity without consideration of labor costs. Farm-labor manpower critical, with 100-percent increase in cost over last year. We respectfully request your earnest consideration of these matters.
GILLETTE MOTOR TRANSPORT, INC.,
FRED GILLETTE, *President.*

THREE RIVERS, TEX., September 25, 1942.
Hon. W. LEE O'DANIEL,
United States Senate,
Washington, D. C.:
Stay in the fight. All we want is justice. Make them figure what real parity is with today's industrial prices would mean in food costs. The way to block inflation is to bring labor cost down to parity with farm earnings. Mr. and Mrs. B. C. Claunch and Messrs. Koonce K. Matula, E. Matula, R. Matula, Edge Chandler, L. Claunch, Dun Stalcup, P. Wheeler, T. Wheeler, H. Mills, Reagan O. Woodward, G. Woodward, H. Richter, B. Richter, C. White, M. White, F. Machart, F. Mills, Foster, Verana, J. Mills, Stuart Schwartz, D. Calliham, H. Calliham, Mesdames Chandler Claunch, Dunn Stalcup, Wheeler, Mills.

DALLAS, TEX., September 25, 1942.
Senator W. LEE O'DANIEL,
Washington, D. C.:
Please make every effort to save our farms. Within the last 5 days we have had 1,000 acres of black-land farms released, and we have no prospects for 1943 tenants. They are leaving the farms for more compensation. It seems to us who are primarily interested in producing food for the armies and the people of this country that this job is up to the Senate and Congress, who should in some way provide a sufficient income to the farmers so they would be able to employ sufficient help at living wage to carry on this industry. This condition is not us alone but with hundreds of other landowners. We own and operate over 50 farms.

G. D. GAY & SON.

ARLINGTON, TEX., September 25, 1942.
W. LEE O'DANIEL,
Washington, D. C.:
We suggest you give consideration to the possibility of the entire country facing an acute shortage of farm commodities unless some provision is made to place farmers in position to secure farm labor at rates in proper ratio to prices of farm products. We estimate that there is a probability of 45 percent of the farms in our trade territory being idle under present conditions.

ARLINGTON CHAMBER OF COMMERCE,
R. H. HOUSTON, *Secretary.*

FLOYDADA, TEX., September 25, 1942.
Hon. W. LEE O'DANIEL,
Senator, Washington, D. C.:
We are in favor of the amendment including farm labor in arriving at parity for farm commodities.

FARMERS GR. CO.

AUSTIN, TEX., September 26, 1942.
Hon. W. LEE O'DANIEL,
United States Senate,
Washington, D. C.:
Although we are paying farm labor in central Texas two and a half times as much as last year labor and renters are quitting

farming. It is imperative that increasing labor costs be considered in price ceilings to enable farmers to continue producing. Hope you will aid fight.

J. TALBOT LAPRELLE.

FORT WORTH, TEX., September 15, 1942.
Hon. W. LEE O'DANIEL,
Senate Office Building:
Hope you will not consider for 1 minute any legislation that contemplates a ceiling on either farm products or manufactured articles that does not carry a correspondingly rigid control over the wages which determine the cost of such commodities. It may seem silly for me to ask you to do a thing that is so obviously necessary but it seems that there are those in Washington who advocate something different and we hope your voice will be heard. Any other course is certainly going to bankrupt this country.

J. E. FENDER,
President, Acme Brick Co.

Mr. DAVIS. Mr. President, the broad objectives of national need must not be obscured in order to justify the acceptance of any one single formula of price control, irrespective of what it may be. One objective we must ever keep in mind is the absolute necessity of producing vast supplies of food for war purposes. Food is as necessary for victory as are planes, and if we are to have adequate food supplies, we must protect the producers—those whose lives and labors make possible the corn, the cotton, the wheat, the livestock, and the dairy products which we now require in large quantities.

I believe that the pressure of idle money on short supplies in the food market will make for inflation. I believe that inflation is a robber that takes both from the producer and the consumer. I believe that plentiful production is our surest defense against inflation. It must be obvious that we shall not lack for production because of any inherent shortage in our agricultural goods. Production costs and prices largely determine the amount of production.

There seems to be no shortage of cash with which to buy agricultural products. A volume production based on volume mass purchasing should in itself tend to hold down prices of many agricultural commodities within the reach of the average pocketbook. It will not work that way in all cases, and therefore fixed ceiling prices will continue to be necessary.

Mr. President, if prices operate in such a way as to impose their burden chiefly on the producers, there is certain to be a curtailment of production, and that is the very thing we do not want. We should work toward methods of operation and prices which will increase production, and make what is produced available as never before in the interest of higher standards of national nutrition, and for supplies needed at the front by our boys. There is no reason to believe that American farmers will be governed in their production by theories, fanciful or otherwise, which may be urged in Congress. Farmers will be governed by the hard economic facts which face them day by day. At the present time those facts have not called forth the maximum production of which our farm population

is capable, and in our discussion of the measure now before us we must face the same facts.

What are these facts? Among them are a few that are particularly important at the present time. Farm labor is scarce. Wages for farm labor constitute a large part of what farmers must include in their index of production costs. Old formulas of farm prices based on conditions existing at the beginning of this century will not meet the present need. All the factors which make for the present problems of production must be considered in the way they now affect agricultural production.

Mr. President, I do not pose as a farm expert. Nevertheless, I have a well-defined interest in agricultural production. I believe I recognize its significance in the present emergency, and it seems better to me that we have national unity and full production than an unnecessary spirit of grievance and a lag in production. All of us are in this war and all of us must pay for its costs.

Mr. President, during almost a quarter of a century I have had much to do with the operation of a 1,200-acre farm. It has one of the finest dairy herds in that section of the country. It has also one of the largest general and vegetable gardens in that territory. I know what it means to have top farm prices and low farm prices.

I am convinced that no action which we may take that induces or encourages the spiral of inflation will bring any lasting benefit to the farmers or to the Nation. Therefore, I am prepared to vote against the pending amendment, and shall favor the substitute proposal, hoping in this way to record my desire to avoid the dangers of inflation, to encourage fair farm prices, and particularly, to encourage national unity.

Mr. ELLENDER obtained the floor.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield to me so that I may suggest the absence of a quorum?

Mr. ELLENDER. I yield for that purpose.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Danaher	McFarland
Andrews	Davis	McKellar
Austin	Downey	McNary
Bailey	Doxey	Maloney
Ball	Ellender	Maybank
Bankhead	George	Mead
Barbour	Gerry	Millikin
Barkley	Gillette	Murdock
Bilbo	Green	Murray
Bone	Guffey	Norris
Brewster	Gurney	Nye
Bridges	Hatch	O'Daniel
Brooks	Hayden	O'Mahoney
Brown	Herring	Overton
Bunker	Hill	Pepper
Burton	Holman	Radeliffe
Butler	Johnson, Calif.	Reed
Byrd	Johnson, Colo.	Reynolds
Capper	Kilgore	Rosier
Caraway	La Follette	Russell
Chandler	Langer	Schwartz
Chavez	Lee	Shipstead
Clark, Idaho	Lodge	Smathers
Clark, Mo.	Lucas	Smith
Connally	McCarran	Spencer

Stewart	Tunnell	Walsh
Taft	Tydings	Wheeler
Thomas, Idaho	Vandenberg	White
Thomas, Okla.	Van Nuys	Wiley
Thomas, Utah	Wagner	Willis
Tobey	Wallgren	

The PRESIDING OFFICER. Ninety-two Senators having answered to their names, a quorum is present.

Mr. ELLENDER. Mr. President, I dislike to impose a speech on the Senate at this time, especially after the joint resolution has been pending in the Senate and been debated here for over a week. Much has been said on the subject, and probably what will be added by me will be somewhat cumulative. But I wonder why it is necessary for us to consider the pending legislation in the light of the President's message to Congress of September 7, 1942, in which he said, in part:

Therefore, I ask the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities. The purpose should be to hold farm prices at parity, or at levels of a recent date, whichever is higher.

I ask the Congress to take this action by the 1st of October. Inaction on your part by that date will leave me with an inescapable responsibility to the people of this country to see to it that the war effort is no longer imperiled by threat of economic chaos. In the event that the Congress should fail to act, and act adequately, I shall accept the responsibility, and I will act.

That challenge to Congress, Mr. President, should not take away the right of any Senator to express his views; not in opposition to the President, or with an idea of causing disunity, but because of a solemn right granted under our Constitution to any Member of this body to follow such a course as in his wisdom is deemed best to meet the situation confronting us. If the President has the power to act, let him assume the responsibility and go full speed ahead. On the other hand if he is not sufficiently clothed with power to act and he seeks it from Congress then let us proceed in the regular way and let us try to make democratic work.

In his message of September 7, the President said in part:

After all, parity is, by its very definition, a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production, including the cost of labor.

I challenge any Senator to show where in the Thomas amendment does not carry out this directive. All that the proponents of this measure are asking is that in figuring out parity that all labor costs shall be included—not may, but shall be included—in the formula.

Mr. President, many Senators are of the opinion that we should not disturb the parity formula during the war. They feel we should be content with the mere addition of the cost of all labor to other costs before a maximum price is established on any agricultural commodity. I am in agreement with that proposition, if the original Thomas-Hatch amendment is defeated. I have prepared two amendments that I propose to offer should the Thomas-Hatch amendment

fail. The main purpose of my amendments is not to disturb the parity formula.

The first amendment would incorporate all the language which is now in the joint resolution beginning on page 4—that is, the so-called O'Mahoney amendment—down to the comma in line 9, after the word "purposes", strike out the comma, insert a period, and add the following language:

In determining maximum prices for agricultural commodities all farm labor, among other costs, shall be included as an integral part of the production cost of such commodity and shall be taken into consideration in determining such maximum prices.

In my humble judgment that language is on all fours with the very language which the President uttered in his message to Congress of September 7 and which I had occasion to quote a few minutes ago.

If that amendment should fail, since there are some Senators who believe that the cost of the farmer's own labor and that of his wife and children should not be included in fixing maximum prices, I shall propose an amendment to this effect: Take the O'Mahoney amendment as written, and in line 9 on page 4, after the word "purposes", strike out the comma, insert a period, and add this language:

In determining maximum prices for agricultural commodities all hired farm labor, among other costs, shall be included as an integral part of the production cost of such commodities and shall be taken into consideration in determining such maximum prices.

My reason for supporting the Thomas-Hatch amendment, and should that fail, then to propose the above amendments is to have a positive directive to include labor, because I feel confident that if we do not follow that course the farmers of our Nation will not be able to produce at a profit. They have been patient, they feel that unless it is made obligatory on the part of the administrator of the law to include labor as costs of production, that it will not be done.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CONNALLY. Let me call the Senator's attention to this aspect of the matter, which it seems to me has been either misunderstood or wholly misrepresented: Under the pending amendment the farmer would not necessarily get the price which is intended. It is not a guaranty that the farmer would receive such a price. Unless by the natural laws of economics his price should rise to the maximum, he would not necessarily get it.

Mr. ELLENDER. The Senator is eminently correct.

Mr. CONNALLY. Ought we to fix a prohibition, and say that he shall not receive less than what it actually costs him to produce the commodity? If we are to fix a ceiling or limitation beyond which he may not go, ought not that to be high enough to reimburse him for the increased amount which he must pay out for labor, over and above what he formerly had to pay?

Mr. ELLENDER. Yes, I desire to say to the Senator in order to meet the last suggestion made by him one of the amendments proposed by me would take care of the situation. As a last resort, I would be partly satisfied if only the increased cost of labor to produce the commodities were added as cost, before fixing maximum prices.

Mr. CONNALLY. Mr. President, will the Senator further yield?

Mr. ELLENDER. I yield.

Mr. CONNALLY. There is one other aspect of the question which it seems to me ought to be noticed, and that is that we all admit that increased costs in other industries, resulting from higher wages and other industrial costs, should be recognized. We admit that industry is entitled to a higher return in wartime than in peacetime. Why? Because of the war. Does it not follow inexorably that if the farmer's costs have been increased by the war condition, he should have the same consideration as other industries receive?

Mr. ELLENDER. There should be no argument on that proposition. I had expected to touch upon that aspect of the problem during the course of my speech. Since the question is raised at the moment, however, let me point out to the Senator from Texas these figures: In 1910 factory wages per employed worker were at the level of 99.6. Last July, 2 months ago, they were at the level of 327, an increase of almost three and one-half times to what they were during the so-called comparable times of 1909-14; but not much has been said about that phase of the problem. I intend to cover that point in detail, to show the vast difference between the incomes of factory workers and other nonfarm labor, in contrast to what farm income actually is today.

I read some of the hearings before the Banking and Currency Committee. We can paint a beautiful picture of contrasts if we use only a set of figures which work against the farmer. For example, I recall the speech made last week by the distinguished Senator from Florida [Mr. PEPPER] wherein he took the farm income of 1939, which was at the lowest level since 1932; and compared the rapid rise in farm prices from that time to the present and contrasted those figures with the rise of nonfarm income, which, by the way, was already at a fairly high level. He used that comparison to show the great increase in income which the farmers of the Nation have been receiving by virtue of the war. However, if we make a comparison between 1910 and 1942, we see that the farmer's increase in income today is far below that received by nonfarm labor, and below nonfarm income. I propose to prove that in more detail in the course of my remarks. I have many authentic tables to present which will give the picture as it really is and no further arguments will be necessary to convince the most skeptical.

Mr. CONNALLY. When the Senator reaches that point in his address, will he compare the percentage of increase in farm prices with the increased wages received by industrial labor, and partic-

ularly war-plant labor, since the war started?

Mr. ELLENDER. I have some figures which to my way of thinking ought to astound the Senate.

Mr. CONNALLY. I cannot offer any hope on that basis. I have already been astounded so many times that I cannot stand any more. [Laughter.]

Mr. ELLENDER. Then I shall present the facts to the Nation, and call the Nation's attention to the large discrepancy which exists between farm and nonfarm groups, and how wages have increased in nonfarming activities, as contrasted with what the farming group receives.

Mr. President, no one within the hearing of my voice will question the fact that our great President has done more for agriculture than has any other man who ever occupied the White House. Nobody doubts that. He proposed many measures which are now law. What I am about to say is not in criticism of the President, but I voice my convictions in order to show what the so-called unprincipled, ruthless, reckless farm bloc has done to balance the scales. I contend that if it had not been for the work of this belittled farm bloc that the farmers might be hopelessly further from parity than they now are.

It was all well and good to put the parity concept in the Farm Act of 1937 and later revising it so as to improve the formula. Such revision did some good but the farmer was far short of parity. Everybody remembers that when the prices of farm commodities began to rise in 1937 the administration, acting through Mr. Eccles and some of the administrators in the Department of Agriculture, said, in effect, "Prices are too high, they must come down." As a result of such action the returns received by the farmer dropped from a high of 121 in 1937 to a low of 93 in 1939, all of which can be seen by reference to a chart that I propose to incorporate in the RECORD in the course of my speech.

Who was responsible for raising the parity payments to the farmers? The President? No. It was the farm bloc. In 1938, when we proposed an increase in farm prices, the President said, "Unless you find the money I will veto the item." In effect that is what he stated. That can be found in his state papers, volume 8, page 378:

The Price Adjustment Act of June 21, 1938 (52 Stat. 809, 819), appropriated \$212,000,000 for these parity payments for the fiscal year ending June 30, 1939, but no revenue had been provided by the Congress for these payments. During the debates in 1938 it was indicated that after January 1, 1939, the question of additional revenue would be taken up, at a time when the Congress would have better information on which to proceed.

On January 3, 1939, I sent to the Congress my Budget message for the fiscal year ending June 30, 1940 (see item 3, this volume). In that message I pointed out that the Congress had adopted this program for "parity" payments to farmers, but had so far provided no sources of revenue for these payments.

While the Department of Agriculture appropriation bill for the next fiscal year ending June 30, 1940, was under consideration, the Secretary of Agriculture reminded the

committee that they had not yet provided the funds for the \$212,000,000 of parity payments which had been appropriated by the Congress for the year previous, and that, therefore, the bill for the next year did not contain any provision for an appropriation for parity payments.

What tactics did the farm bloc have to resort to in order to make it possible to appropriate \$212,000,000 to be utilized toward paying parity? We had to add a title—title V, as I recall—to the W. P. A. appropriation bill and incorporate in it the \$212,000,000. It was felt that the President would not veto the appropriation bill, since it was necessary to have money to take care of the W. P. A. workers.

Let me say in passing that, although I may be wrong about it, I do not know of any appropriation ever proposed before the Senate in which the executive department has tried to get the Congress to first obtain funds before the appropriation was made.

I say to the Members of the Senate that we have almost had to corkscrew out of the administration some of the gains made by the farmers on parity and other items. Senators will recall what happened last year when we attempted to raise parity payments by appropriating more funds. We had in the Department of Agriculture appropriation bill an item for four-hundred-and-seventy-odd-million dollars, as I recall, for that purpose. That was to bring up parity prices to almost 100 percent. What happened to it? The bill was before Congress for quite some time. The Department of Agriculture and the President were opposed to the larger appropriation. In the meantime the Congress passed a bill making it possible for farmers to borrow as much as 85 percent of parity on some of their commodities. I am informed that the Chief Executive agreed to sign the bill calling for 85 percent of parity loans, provided that the appropriation for parity was reduced from four-hundred-and-seventy-odd-million dollars to \$212,000,000. That of course was acceptable because all that the farm bloc desired was to assure parity prices to the farmer. I cite this instance merely to show that the farm bloc has had to fight and fight always to obtain a few crumbs for the farmers.

The Senator from Michigan [Mr. BROWN] cited another incident in aid of the farmer. He gave credit to the executive branch for what was done in their behalf. Let me give the history of that proposal—not in an attempt to criticize the President, but in order to show that it was the farm bloc in the Senate and the farm bloc in the House which actually paved the way for the reduced interest rates which the distinguished Senator from Michigan credited in his address last week to the account of the executive department.

I am sure that all Senators will remember the history of the legislation. It will be recalled that in the Seventy-fifth Congress, of January 1937, both the House of Representatives and the Senate passed the bill to reduce the interest rates paid by farmers to Federal agencies.

What happened to the bill? As the senior Senator from South Carolina will recall, both Houses of Congress passed it by overwhelming majorities. It went to the White House and was vetoed.

I do not know why the President vetoed it. He acted within his rights, but it remained to the Senate and the House to override the President's veto so as to give to the farmers the reduced interest rates which the Senator from Michigan [Mr. BROWN] implied was granted by Executive approval.

The next year a measure was introduced in the House of Representatives for the purpose of extending the provisions of the bill which was enacted during the Seventy-fifth Congress. Again the measure passed this body and passed the House of Representatives by tremendous majorities. It went to the White House and was vetoed. It came back to Congress, and again we passed it by overwhelming majorities. The last time that such proposed legislation was placed before this body, for further enactment, was during the Seventy-sixth Congress. Both Houses passed the bill, and the President signed it.

Mr. President, again I say, I am not citing these cases in criticism of the President, but I am citing them simply to show that unless the so-called farm bloc had responded or come to the aid of the farmers of the Nation the farmers would be in a worse state than they now are. We have been their guardians and protectors and I for one will dedicate much of my time in order to further help them.

Mr. President, as I stated awhile ago, the language which we are trying to incorporate into the pending measure is simply language to make it mandatory that in fixing parity prices all farm labor shall be included. I shall point out to the Senate what items constitute the farmers' income, when it is said that they received 15 percent for 1 year, 10 percent for another year and so on of the national income. Such farmers' income is not net income or anything like it, but it takes into consideration and includes everything the farmers grow on their farms for their own requirements. It includes all cattle, hogs, chickens, and everything else that they raise for their own requirements. It includes the rental value of farm dwellings, also hired labor, and the increase in the value of farm property.

I shall show in just a few moments the amount of actual cash which finds its way into the pockets of the farmers of this Nation is less than the gross income of four or five of the large corporations of our country. Imagine that, Senators. I shall show that in some years over one-third of the people of the Nation—farmers, who produce the commodities necessary to feed and clothe us, to feed and clothe our armed forces, and to feed and clothe those who produce for the armed forces—have received in actual cash less than 3 percent of the total income of the Nation.

I shall place these figures in the RECORD. I do not want to burden the Members of the Senate with an explanation of all of them, but in all sincerity and

in all seriousness I ask that Senators consider them and study them. If they do so, it may be that the Members of the Senate will see the pending amendment in its true light and will vote to help the farmers of the Nation.

Mr. BONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Does the Senator from Louisiana yield to the Senator from Washington?

Mr. ELLENDER. I yield.

Mr. BONE. A few minutes ago the Senator from Louisiana referred to a statement contained in the President's speech or in his message to Congress. I am not aware which one the quotation was taken from.

Mr. ELLENDER. The President's message to Congress of September 7.

Mr. BONE. On that date the President sent a message to Congress and also delivered a radio address. Let me ask the Senator in which of the two documents we shall find the quotation employed by the Senator. I am sorry to trouble the Senator about the matter.

Mr. ELLENDER. That is quite all right; I am glad to be able to oblige the Senator. The document from which I quoted is Document No. 834, a message from the President of the United States to the Congress. The quotation appears on page 5, near the bottom of the page.

Let me say to the Senator from Washington that what I am saying today should not be interpreted as a criticism of the President or of the position of any Senator. If the President desires to put a proposition before the Senate, I believe that he should expect us to express our views regarding it. In this light, whatever I say is not a criticism of his judgment, nor by any means is it a criticism of the war effort.

Mr. President, what I fear is that if we do not in some way take care of the increased cost of labor to the farmers of our Nation there will be reduced production. That is what will happen. I am experienced in the farming business, and I can speak with authority. I am convinced that I cannot remain in business unless my added costs of labor are given consideration in fixing maximum prices.

Mr. President, it is not that we do not have faith in the President's judgment. I bow to no Senator on this floor when it comes to having supported the President since I have been a Member of the Senate. I have worked loyally with him, and I expect to continue cooperating with him in our war effort. We owe it to the Nation; we owe it to the President, as our great leader.

I sincerely believe that the President has been misadvised as to this problem; and, so far as I am concerned, I do not have much faith in the judgment of some of his advisers, especially some of those who have to do with the farm problem and the Office of the Price Administrator. I may put it in this way—that I have lost faith in some of the advisers to the advisers of the President. Some of the advisers to the advisers of the President do not know any more about the problem that is confronting

them and is in their hands for consideration than a rooster knows when Sunday comes around. [Laughter.]

In order to prove the idea, let me say that 2 or 3 months ago an effort was made by some one in the Office of Price Administrator to place a ceiling on fur coats. What month do you think was selected as a basis for the ceiling? The month of March, when the price of fur coats is usually from 30 to 40 percent less than their retail price in the winter-time. Who would have suffered if such an order had been issued? Not the manufacturer, not the retailer, but the poor trapper in my State and the trappers from every other State that furnishes fur, who break the ice every winter morning to trap the animals which supply the fur from which the coats are made. They would be the sufferers.

Mr. President, who do you think was the administrator of the regulations with respect to fur coats? He was a little shavetail who, by the way, I may say to the Senator from North Carolina [Mr. REYNOLDS], was from North Carolina. He had been a tobacco grader, I understand, and did not know much about fur. I took the matter up with him and discussed it, and after 2 or 3 weeks the order was finally written to follow the formula which I suggested. The manufacturers of furs usually buy their fur in July and August, and depending upon what they have to pay for the raw fur in July and August will set the price of the coat sold to the retailer and the price the retailer quotes to the ultimate consumer. In other words, what the order finally did, in accordance with the suggestion made by me was to fix the cost to the manufacturer at the time he purchased the fur and made the coats and the cost to the retailer at the time he normally sells coats. So I think the ceiling for fur coats has been so fixed that the man who ensnares or traps the animal will get a fair percentage.

Mr. President, everyone knows that when we discussed the price-control bill in the Senate last January there were four formulas written into the bill providing for methods by which farm prices were to be measured, and whichever was the highest the farmer would receive. Nobody doubted that; nobody took issue with it except myself, only, however, by way of emphasis. In the CONGRESSIONAL RECORD of January 27, 1942, volume 88, No. 19, the Senator from Michigan [Mr. BROWN], who handled the price-control bill, placed in the RECORD a table indicating the price floors for selected agricultural commodities under the House price-control bill. The table was placed in the RECORD so that every Senator could look at it and ascertain how certain commodities would be affected by the price-control bill. On one item, sugarcane for sugar, per ton, the highest price reached was the average price between July 1919, and June 1929, of \$5.93. For sugar beets the highest per-ton price was not the average price between July 1919, and June 1929, but the 110-parity formula, which gave the beet producers \$8.71 for their commodity.

When the debate was about to be concluded, I interrogated the Senator from Michigan on that point in order to make it plain and clear so that there would not be any ifs and ands about the matter. This is the colloquy that ensued as found on page 743 of the CONGRESSIONAL RECORD of January 27, 1942.

Mr. President, I should like to have the attention of the Senator from Michigan [Mr. BROWN]. As I understand the bill as agreed to in conference, the possible price ceilings of farm commodities are determined by one of four methods, whichever is the higher, to wit: First, 110 percent of parity; second, the estimated October 1, 1941, farm price; third, the average price from 1919 to 1929; and, fourth, the December 15, 1941, farm price. Am I correct?

Mr. BROWN. Yes.

Mr. ELLENDER. Then, I proceeded to ask further questions, which I shall not read but which I ask to have incorporated in the RECORD as a part of my remarks, at this point. They show that the Senator from Michigan while handling the price-control bill interpreted the measure in accordance with the formula to which I have just referred and the table on page 720 to which I have adverted.

The PRESIDING OFFICER. Without objection, the matter referred to by the Senator from Louisiana will be printed in the RECORD.

The matter referred to is as follows:

Mr. ELLENDER. The Senator has placed in the RECORD in connection with his remarks a table which deals with the parity price of sugar beets and sugarcane per ton. I notice that according to this table the average price for sugar beets and sugarcane from 1909-14 was \$5.50 and \$3.73, respectively, and that 110 percent of parity, as of December 15, 1941, would make the price for sugar beets at \$8.71 and \$5.91 for sugarcane, per ton. The 10-year average price for sugar beets is \$8.34 per ton, and for sugarcane, \$5.93.

Now, at the bottom of the table appears this notation:

"The anticipated 1942 crop returns to growers will be as follows: For sugar beets, \$8.65 per ton, and sugarcane, \$5.25."

How does the Senator reconcile those figures with the ones I have just indicated? In other words, the highest price for sugarcane is to be found in the 10-year average method, which is \$5.93 per ton, and for sugar beets the highest price is found, according to the 110 percent of parity formula, which is \$8.71 per ton, whereas the notation to which I have referred would make it \$8.65 for sugar beets and \$5.35 for sugarcane.

Mr. BROWN. I am unable fully to comprehend that rather fine-spun distinction, and I should not want to change the general statement I made at the time I discussed the bill. Generally speaking, I understand that the proposed law is very clear, that whichever minimum for any agricultural product is the highest, whichever ceiling is the highest, is the one which will be chosen.

Mr. ELLENDER. In other words, if the 10-year average price of sugarcane is the greater, then that will be the ceiling for that commodity, and likewise, if the 110-percent parity price for sugar beets is the greater, that will be the price ceiling for that commodity.

Mr. BROWN. That is my assumption.

Mr. ELLENDER. I thank the Senator and I feel certain that is the understanding of every Senator here present. Mr. President, I ask leave to have printed in the RECORD at this

point in connection with my remarks a letter addressed to me by F. L. Thomsen, acting head of the Division of Statistical and Historical Research, Department of Agriculture, dated January 23, 1942, together with an attached table.

There being no objection, the letter referred to was ordered to be printed in the RECORD, as follows:

JANUARY 23, 1942.

HON. ALLEN J. ELLENDER,
United States Senate.

DEAR SENATOR ELLENDER: This will confirm the prices given you over the telephone today by Mr. Randall:

Cottonseed: Crude, f. o. b. southeastern mills: October 1, 12.62 cents per pound; December 12, 12.50 cents per pound; January 22, 12.62 cents per pound.

Cotton: Parity December 15 on the basis of United States average price received by farmers for all types and grades of cotton sold, 17.83 cents per pound.

Cotton: Average price of fifteen-sixteenths inch Middling at the 10 spot markets, October 1, 17.11 cents per pound; December 15, 17.19 cents per pound; January 22, 19.43 cents per pound.

Rice, rough: Parity December 15 on the basis of United States average price received by farmers, \$1.171 per bushel, which is the equivalent of \$4.21 for a barrel of 162 pounds.

Rice: Fancy Blue Rose at New Orleans: September 29, \$4.15 per hundred pounds; December 15, \$6.15 per hundred pounds; January 19, \$6.65 per hundred pounds.

I am also enclosing the table I mentioned. You will note that the October 1 and December 15 prices in the table are farm prices. According to the CONGRESSIONAL RECORD, the conference report specifies market prices on October 1 and December 15. Since there are such a large number of market prices for the various commodities, we have included the farm price on the assumption that if ceilings were placed on the market prices at the levels of October 1 or December 15, prices to farmers would be equal to those indicated in the table, providing there was no change in the margin between the farm prices and the market prices for the various grades and markets.

Yours very truly,

F. L. THOMSEN,
Acting Head, Division of Statistical
and Historical Research.

Possible price ceilings

Commodity	Unit	110 percent of Dec. 15, 1941, parity price	Estimated Oct. 1, 1941, farm price ¹	Average farm price, 1919-29 ²	Dec. 15, 1941, farm price
		Dollars	Dollars	Dollars	Dollars
Cotton.....	Pound.....	0.1965	0.1704	0.2147	0.1623
Cottonseed.....	Ton.....	35.72	50.36	37.20	44.65
Wheat.....	Bushel.....	1.490	.934	1.325	1.022
Corn.....	Bushel.....	1.016	.678	.889	.669
Oats.....	Bushel.....	.632	.394	.474	.452
Barley.....	Bushel.....	.930	.594	.633	.561
Rye.....	Bushel.....	1.141	.543	.947	.578
Rice (rough).....	Bushel.....	1.288	.929	1.270	1.459
Flaxseed.....	Bushel.....	2.67	1.74	2.34	1.78
Beans, dry edible.....	Hundredweight.....	5.34	4.31	5.77	4.93
Potatoes.....	Bushel.....	1.114	0.658	1.245	0.827
Sweetpotatoes.....	Bushel.....	1.390	.902	1.344	.866
Hay, all.....	Ton.....	18.80	8.14	13.53	9.43
Peanuts.....	Pound.....	.0759	.0440	.0580	.0473
Apples.....	Bushel.....	1.62	.86	1.46	1.09
Hogs.....	Hundredweight.....	11.44	10.59	9.77	10.21
Beef cattle.....	Hundredweight.....	8.25	9.27	7.18	9.93
Veal calves.....	Hundredweight.....	10.69	11.20	9.65	11.22
Lambs.....	Hundredweight.....	9.30	9.75	11.12	9.86
Butter.....	Pound.....	.404	.330	.428	.339
Butterfat.....	Pound.....	3.455	.370	.440	.360
Milk, wholesale.....	Hundredweight.....	42.53	2.48	42.53	2.66
Milk, retail.....	Quart.....	.108	.111	.113	.114
Chickens, live.....	Pound.....	.180	.162	.211	.158
Turkeys, live.....	Pound.....	.228	.182	.288	.209
Eggs.....	Dozen.....	3.422	.310	.332	.341
Wool.....	Pound.....	.290	.363	.341	.371

¹ Average of prices received by farmers on Sept. 15 and Oct. 15.

² Average of monthly prices received by farmers, July 1919 to June 1929.

³ Adjusted for seasonal variation.

⁴ 110 percent of parity and average farm price 1919-29 are equal.

Mr. ELLENDER. Mr. President, what did the administrators of the law do? Did they follow the law as it was written by the Congress? I should say not. They allowed the beet-sugar producers—and I am not complaining about that—a price equal to 110 percent of parity, but, when it came to the sugarcane producers, instead of allowing them to receive \$5.93, which they were supposed to obtain, they were allowed a price of only \$5.35. Why do you think that was, Mr. President? The administrators concluded—where they got the idea I do not know—that because more people were engaged in the production of beet sugar than were engaged in the production of cane sugar, the formula should be 110 percent of parity for beet producers and not 110 percent of parity, but less than parity for the sugarcane producers. That kind of judgment makes me almost lose faith in some of the advisers to the President. But that is not all. I am reciting merely a few instances

with which I am familiar. I do not intend to discuss all cases.

In March and April of this year, when the Japanese were grasping the islands in the Pacific, invading Burma, and other places where much rice is produced, the Department of Agriculture of the United States, and the O. P. A. Administrator sent their agents into Louisiana, Texas, Arkansas, California and asked the people to raise more rice in order to replenish the loss. In a circular the Department said:

Ceilings on milled rice, as reflected on rough-rice prices, also are considered attractive to stimulate 1942 crop plantings. Present Department of Agriculture plans call for a substantial acreage increase.

Those ceilings were established in May. That was a bait—I call it a bait—given to the rice growers of my State of California, and of other States. The statement I just read was issued on May 22, and at that time the O. P. A. had fixed ceilings on milled rice. Rexoro was \$9.75 a hundred

pounds, Nira was \$9.75, and so on down to Early Prolific, \$6.65. I shall put the whole table in the RECORD.

These prices would have given the farmer a fair return on his labor; but what happened? Last August, after the farmers had planted their crop, after they had plowed and planted more land than ever before, in order to comply with the request of the O. P. A. and the Department of Agriculture, the ceilings were changed. The change was made not for the benefit of the farmers, not to satisfy them, by any means, but because the margin of profit between the milled rice and what the consumer paid did not give a sufficient profit to the "in-betweens." A large number of manufacturers, rice brokers, and others applied for relief, and let us see what happened. Did the Department cut the margin of profit so that the consumer could get the rice at a lower price? No; they took it off the hides of the farmers by reducing the ceilings which had been established in May by 10 percent. They reduced the ceilings on milled rice on August 19, on Rexoro, for instance, from \$9.75 to \$8.25, on Edith from \$8 to \$7, on Pearl from \$7 to \$6.50, on Early Prolific from \$6.65 to \$6.20, and so on.

Did the consumers' prices change? Did they benefit? I should say they did not. The retail rice prices which I am about to cite were not handed to me by anyone, but I myself spent some time in the stores in the city of Washington in order to find out the truth about the matter.

Before I proceed, I might say that I made the same investigation as to sugar, and I will cite the results in both instances. In Louisiana the farmer is now paid on a basis of \$3.74 a hundred pounds for raw sugar. That ceiling was established last January after all the farmers had sold their crops. They did not benefit from the rise which took place last January. My distinguished colleague will remember that last October he and I called upon Mr. Henderson and requested—begged—that if any changes were to be made in the price of raw sugar which was then fixed at \$3.50, that the change be made before October 15, so that the farmers could receive the benefit of any upward change. But he did not listen to us. In January, after all the sugar was gone, the price was changed from 3.50 cents per pound to 3.74 cents per pound. In December 1941 the ceiling price of refined sugar was fixed at \$5.45 a hundred pounds for Baltimore and New Orleans.

Bear in mind that today the ceiling is placed on rice from the mill, not from the farmer, because the farmer does not figure in it; it is milled rice. The millers receive an average of say, \$6.75 a hundred pounds for all rices, and the farmer receives about 75 cents less, which would mean, in round figures, about 6 cents a pound on an average.

What do you think the consumers are paying in the city of Washington? I did not rely for my information upon hearsay. I went and bought the sugar and the rice as I have just indicated in order to find out for myself. A 12-ounce package of rice sold for 1 cent an ounce, or 16 cents a pound. The ceiling for sugar was \$5.45 in Baltimore and New Orleans.

In Washington the retail price is 8 cents a pound. In a few instances it sells for 7 cents per pound. Senators, that is really where the trouble lies. It is not with the farmer. Let us not blame the farmer for these skyrocketing prices. The blame should be placed on the in-betweens—the leeches, the bloodsuckers—who take advantage of the situation. The least rise that occurs in favor of the farmer is taken advantage of by them by fixing the price to the consumer much higher or, I will say, in a greater proportion than it should be. All will agree, I am certain, it should not cost almost twice what a farmer receives to market rice. Nor should it cost almost $2\frac{1}{2}$ cents per pound to retail sugar.

Those are only a few instances. Many more could be cited. The distinguished Senator from Iowa [Mr. GILLETTE] cited some startling examples when he spoke before the Senate last week. After all, Senators, I firmly believe that most of the trouble lies in the high cost of distribution and not because of the price received by the farmers. If the situation were thoroughly investigated, if it were possible, as I know it is, for the O. P. A. to investigate prices asked in the city of Washington, for example, and ascertain the enormous profits that are being made by some of the retailers and wholesalers, something could be done which would relieve the situation. It is a grave injustice to the farmers of the Nation to point the finger of scorn in their direction.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SMITH. In speaking of the middleman getting the profit, let me say there is now a great demand for sweetpotatoes throughout the South. A tenant on my place planted quite an acreage of sweetpotatoes, and I thought he was receiving an astoundingly good price. He was paid \$1.50 a hamper. A hamper holds 1 bushel. My daughter went to a store the other day to buy some sweetpotatoes, and she paid 10 cents a pound. She paid about 30 cents for two and a half sweetpotatoes. I can take one "jumbo," as it called, grown on my farm, and at that price I would receive 60 cents a potato. If that ceiling is put upon potatoes as they come from the farm, I will not plant anything but sweetpotatoes.

Mr. ELLENDER. Mr. President, I realize that Mr. Henderson has a very difficult job, and I desire to give him credit for having worked hard toward accomplishing the purpose sought for in the Price Control Act. But I do believe that instead of arm-chair farmers he should have practical men advising him, men who know something about the situation, who go into the field and really gather information and ascertain the margin of profit represented by the difference between the price paid the producer of the commodity and the amount paid by the consumer. If we can bridge that gap, in other words, draw the consumer nearer to the producer, I believe we can accomplish something.

Before the war some stores would have leads on tomatoes, others on sugar,

others on this and others on that. There was a great deal of competition. The average family got at retail a pretty fair return for its money. But there is no longer any question of competition. From what I can understand, most canned goods will be rationed in the same way that sugar and other commodities are, so that a storekeeper, whether he be one who handles a million dollars worth of commodities a year, or \$5,000 worth of commodities a month, is going to pay the same price for each commodity that everyone else will pay, because there will be a ceiling on it. That is as it should be. Since there is no way for competition to exist to the same extent that there was in years past, it strikes me that a better solution of the problem could be attained than to take March, let us say, and the price for which one of the storekeepers in this city sold a commodity, and announce that the highest price for which he sold it would be the price.

Today in Washington a can of tomatoes can be bought for so much and at another store the price will be 2 cents more. It is the same with sugar and the same with everything else. It strikes me that a better formula could be worked out, and that in working out that formula we could give to the producer of the commodity a fair margin, a margin which would reflect at least the cost of labor we are now attempting to provide for in the way of additional costs. That is all we ask.

Mr. President, as I indicated a while ago, I have many figures which I could submit to the Senate to show that the so-called farm income is a mere pittance when compared with what it ought to be. On November 30, 1937, I placed in the CONGRESSIONAL RECORD, at page 530, volume 2, part I, Seventy-fifth Congress, second session, a table entitled "National Income: Agriculture's Contribution to National Income, Nonagricultural Income, Percent Agricultural Is of National Income, Percent Nonagricultural Is of National Income, and Tariff Acts in Effect."

That table showed that in 1850 the farmer received for his commodities 33.6 percent of the national income, whereas the nonagricultural income was 66.4 percent of the national income.

In 1860, just before the Civil War, the farmer received 37 percent of the national income, whereas nonagricultural income was 63 percent. I have given corresponding figures down to and including the year 1936, the last year for which such figures were at that time available. At the right of the table was a column in which were placed the various tariff acts which were passed during the years 1850 to 1930. That column shows that there was a general increase in tariff rates, and as the tariff rates increased the percentage of nonfarm income in the United States increased, whereas the income of the farmer decreased, until it reached the low of 5.8 percent of the national income in 1933.

Mr. President, I direct the attention of the Senate particularly to how these figures of percentage of national income is calculated insofar as the farmer is concerned. For instance, according to the table which I hold in my hand, in

1940, from a total income for the Nation of \$76,000,000,000 in round figures, the farmer received 7.19 percent. But when we deduct from what is termed "income" the rent for his home, the value of agricultural crops produced and consumed on the farm, the value of livestock produced and consumed on the farm, taxes, interest, and hired labor, we find that that income is cut almost in half.

Let us consider the figures for the year 1910. The actual net to the farmers that year was \$2,118,000,000. The reported net, however, was \$4,474,000,000. The difference between the two figures is accounted for as follows: Crops produced and consumed on the farm, as I have just indicated, amounted to \$340,000,000. Livestock produced and consumed on the farm, \$837,000,000. Rental value of the farm houses in which the farmers live, \$382,000,000. Farm wages paid to hired labor—not wages paid to the wives, not wages paid to the children who work on the farm, not wages paid to the one operating the farm, but hired labor, \$546,000,000. Change in value of inventory on the farm—and, Mr. President, what does that mean? If the value of the farm goes up and the inventory is greater, that increase is considered as income, whether the farm is sold or not, and that increase amounted in 1910 to \$151,000,000. So, Senators, if we deduct from the total amount credited to the farmers of the Nation, the items just referred to, it will be found that instead of receiving for the year 1910 13.58 percent of the national income, as a matter of fact, the farmers

actually received 6.71 percent of the national income.

Mr. President, what are we trying to do to alter this condition? We are trying to incorporate in the formula of actual costs to the farmer his labor costs, not only for himself but for his children—all the labor necessary in order to produce a crop. I ask, why is that not fair?

Further reverting to the table I have just referred to, for the year 1940, out of a total of \$76,000,000,000 national income the farmers of the Nation received 2.98 percent—not 3 percent, I call to the attention of the Senator from Wisconsin [Mr. LA FOLLETTE]. Why, Mr. President, I should say that but a handful of large corporations received more than that amount of the national income.

Mr. President, as I pointed out a while ago, although they represent one-third of the Nation engaged in the necessary occupation of keeping the Nation fed, the farmers received in cash in 1940 only 2.98 percent of the national income.

Mr. President, when the Department of Agriculture states that the farmers of the Nation will receive this year out of the national income as much as \$15,000,000,000, I contend that they will not receive half that amount. They will receive less than 50 percent of that amount, because when we consider and place against the farmer's income the high price of pork which is consumed on the farm, when we figure the high price of butter, the additional cost of labor, and then make all these other deductions to

which I have referred, we shall, I am sure, find that instead of the farmer receiving one-half the estimated amount of \$15,000,000,000, that is instead of \$7,500,000,000 in cash going to the farmer, and \$7,500,000,000 going for the labor on the farm and for things he consumes in the way of livestock and so forth—instead of it being 50-50, it will be 60 percent for labor and for what he consumes and only 40 percent net for the farmers. Think of it, Senators, from an estimated national income of \$115,000,000,000 the farmers, who clothe and feed us, will receive in cash about \$6,000,000,000. It is a shameful condition and should be rectified at once.

Mr. President, I cannot see why the Department of Agriculture cannot take into consideration the figures I have just referred to, and why they cannot be brought to the attention of the President of the United States, so he can see the picture in its true light, so he can see the vast discrepancy between what the farmer receives for what he produces and what the consumer has to pay for it. I believe that in a true recognition of that picture lies the remedy.

Mr. President, at this point I ask that the table which I previously placed in the CONGRESSIONAL RECORD, at page 530, on November 30, 1937, be incorporated in the RECORD at this point, as part of my remarks.

The PRESIDING OFFICER (Mr. SPENCER in the chair). Without objection, it is so ordered.

The table is as follows:

National income—Agriculture's contribution to national income, nonagricultural income, percent agricultural is of national income, percent nonagricultural is of national income, and tariff acts in effect

Year	National income ¹	Agriculture's contribution to national income ¹	Nonagricultural income ^{1,2}	Percent agricultural is of national income ³	Percent nonagricultural is of national income	Tariff acts ⁴
	Million dollars	Million dollars	Million dollars	Percent	Percent	
1850.....	1,579	530	1,049	33.6	66.4	Act of 1846: Moderation of protection.
1860.....	2,707	1,002	1,705	37.0	63.0	Act of 1857: Further reductions. 1861: Increase began. 1862: Great increase. 1864: Extreme increase.
1870.....	5,424	1,534	3,890	28.3	71.7	1870: Slight increase. 1872: 10-percent reduction, which was repealed in 1875.
1880.....	6,434	1,786	4,648	27.8	72.2	1882: Increase. 1883: Decrease because of too full Treasury.
1890.....	10,504	2,294	8,210	21.8	78.2	1890: McKinley. Further extension of protective system. 1894: Wilson Act; decrease in duties. 1897: Dingley; avowed protection.
1900.....	15,522	2,815	12,707	18.1	81.9	
1909.....	26,430	4,988	21,442	18.9	81.1	1909: Payne-Aldrich. Revision downward.
1910.....	28,024	5,218	22,806	18.6	81.4	
1911.....	28,376	4,815	23,561	17.0	83.0	
1912.....	30,358	5,294	25,064	17.4	82.6	
1913.....	31,909	5,133	26,776	16.1	83.9	1913: Underwood. Drastic reduction.
1914.....	31,669	5,081	26,588	16.0	84.0	
1915.....	33,083	5,488	27,595	16.6	83.4	
1916.....	38,881	6,631	32,253	17.1	82.9	
1917.....	46,575	9,188	37,387	19.7	80.3	
1918.....	54,784	11,205	43,579	20.5	79.5	
1919.....	59,550	12,182	47,368	20.5	79.5	
1920.....	65,928	11,057	54,871	16.8	83.2	
1921.....	55,430	6,967	48,463	12.6	87.4	1921: Emergency, increase.
1922.....	57,926	7,300	50,626	12.6	87.4	1922: Fordney-McCumber. Further increase.
1923.....	65,949	8,026	57,923	12.2	87.8	
1924.....	67,946	7,810	60,136	11.5	88.5	
1925.....	72,293	8,315	63,978	11.5	88.5	
1926.....	74,586	7,846	66,740	10.5	89.5	
1927.....	75,479	7,843	67,636	10.4	89.6	
1928.....	77,123	7,941	69,182	10.3	89.7	
1929.....	79,350	8,206	71,144	10.3	89.7	
1930.....	73,088	6,338	66,750	8.7	91.3	1930: Smoot-Hawley.
1931.....	60,971	4,135	56,836	6.8	93.2	
1932.....	47,674	2,756	44,918	5.8	94.2	
1933.....	45,662	3,761	41,901	8.2	91.8	
1934.....	52,801	5,017	47,784	9.5	90.5	
1935.....	56,856	5,705	51,151	10.0	90.0	
1936.....	64,598	6,783	57,815	10.5	89.5	

¹ 1850-1923 from Agriculture's Share in the National Income, October 1935, Division of Information, Agricultural Adjustment Administration, U. S. Department of Agriculture. 1924-36 from Monthly Indexes of Nonagricultural and National Income, August 1937, Program Planning Division, Agricultural Adjustment Administration, U. S. Department of Agriculture.

² 1850-1923 calculated by Southern Division. Total national income minus agriculture's contribution to national income.

³ 1850-1923, see footnote 1. 1924-36 calculated by Southern Division.

⁴ Taussig. Tariff History of the United States, G. P. Putnam, 1931.

Mr. ELLENDER. Mr. President, I also ask that a statement made by me on January 22, 1942, together with accompanying tables, be incorporated in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. In connection with the total revenues of farmers, I invite the attention of the distinguished Senator from Oklahoma to an exhibit which was incorporated in the RECORD by me under date of November 13, 1941, at page A5423, showing the distribution of the so-called cash income to the farmer. It has often been pointed out that the farmers of the Nation received a stated percentage of the national income each year. Beginning in 1910, they received from the total national income 13.53 percent, in 1911 12.13 percent, and so on, down to 1940, when they obtained 7.19 percent thereof.

When we analyze those figures—and by the way those figures may be obtained by any of you from the Bureau of Agricultural Economics—we find that we must deduct from the so-called total income the value of the crops produced and consumed on the farm, the livestock produced and consumed on the farm, the rental value of farm dwellings, and farm wages paid to hired labor, in order to obtain the actual cash received. When that is done, gentlemen, the farmers of the Nation receive but a pittance for their labor.

Let us take, for example, the year 1940, when it is said that the farmers received 7.19 percent of the total national income. As a matter of fact, after deducting the items which are consumed on the farm, farm wages to hired labor, and rental value of farm dwellings, they received, in actual cash, only 2.98 percent of the total income. In other words, out of a total national income of \$76,470,000,000, the farmers of the Nation received \$2,277,000,000 in cash for their labor, out of which they must pay taxes and other expenses. By using the same method of calculation for the years 1936-40, I desire to point out for the RECORD the figures to show the actual cash which the farmers of the Nation received for those years. I will give the percentages of net farm cash income as related to the total amount of income for the entire Nation.

In 1936 the total national income was \$65,734,000,000. Of that amount, the farmer received in cash \$2,940,000,000, or 4.47 percent of the total national income. In other words, the farmers, who constitute about 25 percent of the people of our Nation, who feed and clothe us, received but 4.47 percent of the entire income of the Nation for that year.

For 1937 the total income of the Nation was \$71,655,000,000. The farmers received \$2,968,000,000, or 4.14 percent of the entire income.

For 1938 the entire income was \$66,446,000,000, and the farmers received \$2,169,000,000, or 3.26 percent of the entire income. It sounds fantastic and unbelievable.

In 1939 the national income was \$71,134,000,000. The farmers received \$1,983,000,000, or 2.79 percent of the income of the entire Nation. I think it is shameful.

In 1940 the entire national income was \$76,470,000,000, of which the farmers received the paltry sum of \$2,277,000,000, or 2.98 percent of the entire national income. Compare that measly, insignificant sum with the huge net corporate profits for the same year of \$11,500,000,000. I repeat, it is a disgrace, and I wonder why the farmers of our country have tolerated such conditions for so long a time. And yet, Mr. President, with such inequities, columnists and others who do not seek the truth are saying that the farmers are receiving too much. As a matter of fact, when we boil it down, it is the in-between—

that is, the brokers, merchants, retailers, the railroads, and so forth—who make the profits, and the farmer usually gets barely enough to provide clothing and shelter for his family and money to pay taxes.

I invite the columnists and editorial writers of the country to analyze the actual returns received by farmers and then I challenge them to write the truth on the subject.

Mr. President, I ask consent to print in the RECORD at this point tables A, B, and C, to which I have been referring.

The VICE PRESIDENT. Without objection, it is so ordered.

TABLE A.—Showing farm income, cost of production, and actual net cash received by farmers for years shown

Year	Total cash farm income from sale of all crops and livestock, etc.	Total cost of production, including wages	Actual net cash to farmers (column 1 less column 2)
	(1)	(2)	(3)
	Millions of dollars	Millions of dollars	Millions of dollars
1910.....	5,793	3,575	2,218
1911.....	5,596	3,620	1,976
1912.....	6,017	3,863	2,154
1913.....	6,248	3,999	2,249
1914.....	6,050	4,091	1,959
1915.....	6,403	4,189	2,214
1916.....	7,750	4,805	2,945
1917.....	10,746	6,082	4,664
1918.....	13,461	7,520	5,941
1919.....	14,602	8,400	6,202
1920.....	12,608	9,079	3,529
1921.....	8,150	6,854	1,296
1922.....	8,594	6,797	1,797
1923.....	9,563	7,088	2,475
1924.....	10,221	7,449	2,772
1925.....	10,995	7,415	3,580
1926.....	10,564	7,475	3,089
1927.....	10,756	7,501	3,255
1928.....	11,072	7,814	3,258
1929.....	11,296	7,748	3,548
1930.....	9,021	6,997	2,024
1931.....	6,371	5,598	773
1932.....	4,743	4,543	200
1933.....	5,314	4,359	955
1934.....	6,317	4,663	1,654
1935.....	7,042	5,010	2,032
1936.....	8,284	5,344	2,940
1937.....	8,809	5,841	2,968
1938.....	7,648	5,479	2,169
1939.....	7,851	5,868	1,983
1940.....	8,354	6,077	2,277

TABLE B.—Showing actual net income to farmers and items added to actual net income by Bureau of Economics in order to arrive at Government figures of net income

Year	Actual net cash to farmers (million dollars)	Government benefit payments (million dollars)	Crops produced and consumed on farm (million dollars)	Livestock produced and consumed on farm (million dollars)	Rental value of farm dwellings (million dollars)	Farm wages to hired labor on farm (million dollars)	Change in value of inventory on farm	Government figures of net farm income (sum of columns 1 to 7) (million dollars)	Percent of national income received by farmers according to Government figures on net farm income (million dollars)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1910.....	2,218	340	837	382	546	+151	4,474	13.53	
1911.....	1,976	362	730	393	547	-67	3,941	12.13	
1912.....	2,154	370	770	404	568	+96	4,362	12.66	
1913.....	2,249	338	815	420	575	+26	4,423	11.71	
1914.....	1,959	346	815	427	572	+420	4,545	12.50	
1915.....	2,214	337	794	434	577	+73	4,429	11.58	
1916.....	1,945	423	886	473	634	-266	4,095	9.12	
1917.....	4,664	617	1,244	540	797	+321	8,183	15.34	
1918.....	5,941	622	1,531	618	747	+39	9,498	16.34	
1919.....	6,202	727	1,668	713	1,078	-450	9,938	15.03	
1920.....	3,529	848	1,558	894	1,242	+348	8,419	11.47	
1921.....	1,296	506	1,062	760	805	-613	3,816	6.54	
1922.....	1,797	548	1,007	734	775	+18	4,879	8.06	

TABLE B—Continued

Year	Actual net cash to farmers (million dollars)	Government benefit payments (million dollars)	Crops produced and consumed on farm (million dollars)	Livestock produced and consumed on farm (million dollars)	Rental value of farm dwellings (million dollars)	Farm wages to hired labor on farm (million dollars)	Change in value of inventory on farm	Government figures of net farm income (sum of columns 1 to 7) (million dollars)	Percent of national income received by farmers according to Government figures on net farm income (million dollars)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1923.....	2,475	581	1,042	781	841	-75	5,645	7.99	
1924.....	2,772	547	1,075	780	844	-412	5,606	7.94	
1925.....	3,580	590	1,191	791	856	-93	6,915	9.20	
1926.....	3,089	615	1,222	803	893	+25	6,647	8.27	
1927.....	3,255	552	1,143	800	867	-259	6,358	8.10	
1928.....	3,255	545	1,122	811	856	+136	6,773	8.30	
1929.....	3,548	563	1,134	829	863	-166	6,773	7.88	
1930.....	2,024	530	1,007	830	774	+12	5,177	6.87	
1931.....	773	442	811	754	588	+250	3,518	5.88	
1932.....	200	381	627	655	313	-39	2,315	3.31	
1933.....	955	131	416	607	587	317	3,010	7.17	
1934.....	1,654	446	399	701	616	-664	3,556	5.46	
1935.....	2,032	573	444	893	616	+56	4,440	5.28	
1936.....	2,940	287	436	969	615	-490	2,222	8.68	
1937.....	2,968	367	471	981	648	-557	2,302	7.67	
1938.....	2,169	425	806	636	515	+208	5,372	7.55	
1939.....	1,983	766	430	799	665	+38	5,500	7.19	

TABLE C.—Statement showing national income compared with actual net cash farm income, also percent of national income actually received by farmers

Year	National income	Actual net cash farm income	Percent of national income actually received by farmers
	(1)	(2)	(3)
	Millions of dollars	Millions of dollars	
1910.....	33,064	2,218	6.71
1911.....	32,490	1,976	6.08
1912.....	34,356	2,154	5.25
1913.....	37,762	2,249	5.96
1914.....	36,367	1,959	5.39
1915.....	38,254	2,214	5.79
1916.....	44,913	1,945	4.33
1917.....	53,360	4,664	8.74
1918.....	58,121	1,941	3.34
1919.....	66,136	6,202	9.38
1920.....	73,393	3,529	4.81
1921.....	58,333	1,296	2.22
1922.....	60,517	1,797	2.97
1923.....	70,675	2,475	3.50
1924.....	70,634	2,772	3.92
1925.....	75,187	3,580	4.76
1926.....	80,396	3,089	3.84
1927.....	78,502	3,255	4.15
1928.....	81,044	3,255	4.01
1929.....	85,954	3,548	4.13
1930.....	75,385	2,024	2.68
1931.....	59,867	773	1.29
1932.....	43,620	200	.46
1933.....	42,006	955	2.27
1934.....	49,416	1,654	3.35
1935.....	56,366	2,032	3.61
1936.....	65,734	2,940	4.47
1937.....	71,655	2,968	4.14
1938.....	66,446	2,169	3.26
1939.....	71,134	1,983	2.79
1940.....	76,470	2,277	2.98

Source: Bureau of Agricultural Economics, U. S. Department of Agriculture. Statement showing farm income and expenditures released July 25, 1941.

Mr. ELLENDER. Mr. President, I have before me another set of figures. I am sorry the distinguished Senator from Texas [Mr. CONNALLY] is not present. Awhile ago he asked a few questions about the figures to which I shall now refer. The figures are very illuminating. The

figures represent an index, taking into consideration the parity formula of 1910-14 as 100 percent. Prices received by farmers in 1910 were 102, that is 2 points over the parity figure of 100 which is used as a guide in this table. During the World War the figure rose from 100 to 202. The prices paid by farmers, including interest and taxes, rose to the figure of 174. Let us keep those figures in mind. During the World War the figure representing prices received by farmers for their products rose to 202, whereas prices paid by farmers rose to the figure 174. That figure represents the prices the farmer paid for the things he bought in order to produce crops on his farm. After the World War the index figure of the prices received by the farmer rose to 211 in 1920, but by 1933 had fallen to 70, in other words, 30 points under the 100-percent formula of 1910-14. That figure gradually increased, until in January of this year it reached 149. Last August it rose to 163.

Prices paid by farmers, including interest and taxes, remained almost constant. There was practically no increase.

The distinguished Senator from Texas asked a question about factory wages. In 1910 the figure for factory wages per employed worker was 99.6, or four-tenths of 1 percent below parity of 100. During the World War, in 1919, the figure rose to 183. In July of this year, the last month for which figures are available, it rose to 327. Think of it! Prices paid by farmers, including interest and taxes, have remained constant at 152.

I wish to show the rise in farm wages, or the prices which farmers must pay for their labor. I pointed out that the factory wage increase was from 99.6 to 327, more than three and a quarter times. Bear in mind that the parity formula is not based on the wages which the farmer pays for hired labor. They are not included at all. The only thing taken into consideration is the price paid by him, including interest, for what he buys, and that is figured on the basis of the prices received by him for his commodities. The farm wage is out entirely.

In 1910, the beginning of the period on which the parity formula was based, we started at a level of 100 for farm wages. What is it today? It is 196. In other words, last July the farmer had to pay almost twice as much for his labor as he paid in the period from 1910 to 1914, the period on which the parity formula was based. The increase in prices of farm commodities has not been commensurate with the increase in the cost of labor. I contend that unless we put into the law some language which will force the authorities to include farm labor, we shall not have production at the rate necessary to feed our Army and our population. That goes without saying. That is all we are asking for in this formula.

Mr. President, as I pointed out a while ago, it is an easy matter for any Senator to take a set of figures, as did the distinguished Senator from Florida [Mr. PEPPER] the other day, and show an increase in farm prices of 72 percent, and an increase in wages of labor of 75 percent. It depends upon where we start. In 1939

the figure representing the prices of farm commodities was at the lowest point which it had reached prior to 1933, during the Hoover term. On the other hand the index for factory wages was 208.2, and it continued near that figure. There was not as much change in the index figure representing farm wages as there was in prices received by farmers. Wages were more constant; and the fluctuations were less than they were in the column showing the fluctuation in farm prices.

As I say, it is an easy matter to take the low figure for 1939 and bring it up to January 1942, showing a rise to 149, and contrast it with the increase in labor wages, which was from 262 to 300. The percentages are almost the same, but the bases are different. It is possible to prove almost anything with figures.

Mr. President, at this point I ask that the table to which I have just referred be printed in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Index numbers of prices received and paid by farmers, the ratio of prices received to paid, farm wage rates, factory wages, and food-marketing margin; also the farmers' share of the consumer food dollar, United States, 1910-42

Year and month	Prices received by farmers 1910-14=100	Prices paid by farmers, including interest and taxes 1910-14=100	Ratio of prices received to paid, including interest and taxes 1910-14=100	Farm wage rates 1910-14=100	Factory wages per employed worker 1910-14=100	Marketing margin (58 foods) 1913=100	Farmers' share of consumers' food dollar (58 foods) 1913=100
1910.....	102	97	105	97	99.6	---	---
1911.....	95	100	95	98	96.0	---	---
1912.....	160	100	100	101	97.8	---	---
1913.....	101	102	99	103	103.2	100	53
1914.....	101	101	100	101	103.4	102	53
1915.....	98	107	92	103	106.8	104	52
1916.....	118	124	95	113	121.2	109	54
1917.....	175	148	118	141	143.3	124	60
1918.....	202	174	116	177	183.0	151	58
1919.....	213	201	106	207	207.4	171	57
1920.....	211	205	103	242	247.1	204	53
1921.....	125	164	76	155	208.2	189	44
1922.....	132	162	81	151	202.0	171	45
1923.....	142	165	86	169	223.8	178	45
1924.....	143	165	87	173	224.8	178	45
1925.....	156	170	92	176	228.7	178	48
1926.....	145	168	86	179	231.3	182	48
1927.....	139	166	84	179	232.1	182	47
1928.....	149	168	89	179	234.3	180	48
1929.....	146	166	88	180	235.1	186	47
1930.....	126	158	80	167	218.4	186	44
1931.....	87	138	63	130	196.0	169	38
1932.....	65	120	54	96	158.9	153	33
1933.....	70	118	59	85	154.3	146	35
1934.....	90	128	70	95	169.9	158	37
1935.....	108	130	83	103	183.0	162	42
1936.....	114	129	88	111	195.6	160	44
1937.....	121	134	90	126	213.8	162	45
1938.....	95	127	75	125	194.8	160	41
1939.....	93	127	73	123	208.2	156	41
1940.....	98	128	77	126	221.2	153	42
1941.....	122	134	91	154	262.9	149	48
1942-Jan.....	149	146	102	173	300.4	156	51
Feb.....	145	147	99	173	297.2	158	51
Mar.....	146	150	97	173	296.6	158	51
Apr.....	150	151	99	181	305.3	157	52
May.....	152	152	100	---	312.7	161	52
June.....	151	152	99	181	317.6	165	51
July.....	154	152	101	196	327.0	163	52
Aug.....	163	152	107	---	---	158	54

¹ The monthly index numbers are corrected for seasonal variation.

² Based on Bureau of Labor Statistics Factory Employment and Pay Roll Data except for the years 1910-1913 and 1915 which were estimated from other data.

Division of Statistical and Historical Research, Bureau of Agricultural Economics.

Mr. ELLENDER. Mr. President, I have another interesting table. I shall not go into it in detail. It shows the average net income per person engaged in agriculture and the wage income per employed industrial worker. In 1910 the average net income per person engaged in agriculture was \$371. The wage income per employed industrial worker was \$573. In 1942, with all the high prices we hear about, the average net income per person engaged in agriculture is \$1,032, whereas the wage income per employed industrial worker is \$1,766.

I ask unanimous consent that this table be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Average income per worker

Year	Average net income per person engaged in agriculture	Wage income per employed industrial worker	Index numbers (1910-14=100)	
			Average net farm income per person employed	Wage income per employed industrial worker
	Dollars	Dollars	Percent	Percent
1910.....	371	573	101.4	98.6
1911.....	348	562	95.1	96.4
1912.....	371	575	101.4	98.6
1913.....	382	600	104.4	103.0
1914.....	360	603	98.4	103.6
1915.....	381	622	104.1	106.7
1916.....	465	694	127.0	119.1
1917.....	690	818	188.5	140.2
1918.....	882	1,064	241.0	182.4
1919.....	969	1,188	264.8	203.7
1920.....	753	1,411	205.7	242.0
1921.....	417	1,234	113.9	211.4
1922.....	453	1,182	123.8	202.6
1923.....	532	1,274	145.4	218.3
1924.....	559	1,273	152.7	218.1
1925.....	642	1,293	175.4	221.9
1926.....	609	1,318	166.4	226.2
1927.....	621	1,311	169.7	224.9
1928.....	616	1,323	168.3	226.8
1929.....	649	1,334	177.3	228.8
1930.....	489	1,249	133.6	214.2
1931.....	322	1,129	88.0	193.5
1932.....	218	929	59.6	159.2
1933.....	289	900	79.0	154.2
1934.....	400	983	109.3	168.6
1935.....	468	1,057	127.9	181.3
1936.....	536	1,129	146.4	193.5
1937.....	565	1,217	154.4	206.9
1938.....	498	1,131	133.6	194.1
1939.....	489	1,203	136.1	206.3
1940.....	527	1,268	144.0	217.6
1941.....	742	1,484	202.7	254.4
1942 ¹	1,052	1,766	287.4	303.1

¹ Estimated.

Source: Division of Statistical and Historical Research, Bureau of Agricultural Economics.

Volume of agricultural production, farm employment, and volume of agricultural production per farm worker, United States, 1910-42

[Index numbers 1910-14=100]

Year	Volume of agricultural production	Farm employment	Volume of agricultural production per farm worker
1910.....	95.5	101	95
1911.....	99.8	100	100
1912.....	102.5	100	103
1913.....	98.3	100	98
1914.....	104.1	100	104
1915.....	104.3	99	105
1916.....	100.1	100	100
1917.....	103.3	98	105
1918.....	109.3	94	116
1919.....	109.5	92	119
1920.....	111.0	94	118
1921.....	100.7	95	106
1922.....	109.9	95	116
1923.....	114.1	94	121

Volume of agricultural production, etc.—Con.

Year	Volume of agricultural production	Farm employment	Volume of agricultural production per farm worker
1924	117.8	94	125
1925	117.3	95	123
1926	120.9	96	126
1927	117.8	93	127
1928	123.1	94	131
1929	119.1	94	127
1930	118.1	93	127
1931	123.1	93	132
1932	116.5	92	127
1933	115.8	91	125
1934	112.6	90	120
1935	110.5	92	120
1936	113.0	92	123
1937	127.5	90	142
1938	124.0	90	138
1939	128.7	89	145
1940	132.7	88	151
1941	136.2	86	158
1942	152.2	86	177

Source: Division of Statistical and Historical Research, Bureau of Agricultural Economics.

Mr. ELLENDER. Let us compare the income per person on the farm with the income per person not on the farm. Listen to these figures:

In 1910 the net income from agriculture per person on the farm was \$139. The income per person not on the farm was \$482, almost two-and-a-half times as much.

In 1941 the income per person on the farm was \$237, and the income per person not on the farm was \$825.

I ask unanimous consent that this table be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—Income per farm, and income per person on farms and not on farms, United States, 1910–42

EXCLUDING GOVERNMENT PAYMENTS						
Year	Net income from agriculture per farm	Net income from agriculture per person on farms	Income per person not on farms	Index of income per capita		Ratio per capita farm to per capita non-farm (1910–14=100)
	(1)	(2)	(3)	Farm (1910–14=100)	Non farm (1910–14=100)	
	Dol.	Dol.	Dol.	Pct.	Pct.	Pct.
1910	699	139	482	103.4	98.8	104.7
1911	613	122	468	90.8	95.9	94.7
1912	675	135	484	100.4	99.2	101.2
1913	680	136	522	101.2	107.0	84.6
1914	697	140	483	104.2	99.0	105.3
1915	674	135	502	100.4	102.9	97.6
1916	771	155	580	115.3	118.9	97.0
1917	1,274	258	639	192.0	131.0	146.6
1918	1,482	304	670	226.2	137.4	164.6
1919	1,527	319	763	237.4	156.4	151.8
1920	1,298	265	876	197.2	179.6	109.8
1921	584	119	718	88.5	147.2	60.1
1922	745	153	716	113.8	146.8	77.5
1923	876	180	812	133.9	166.5	80.4
1924	876	180	788	133.9	161.5	82.9
1925	1,078	223	810	165.9	166.1	99.9
1926	1,044	216	856	190.7	175.5	91.6
1927	1,009	209	818	155.5	167.7	92.7
1928	1,067	222	829	165.2	169.9	97.2
1929	1,072	223	870	165.9	178.4	93.0
1930	813	170	761	126.5	156.0	81.1
1931	545	114	605	84.8	124.0	68.4
1932	850	74	442	55.1	90.6	60.8
1933	427	91	417	67.7	85.5	79.2
1934	461	98	487	72.9	99.8	73.0
1935	466	143	539	106.4	110.5	96.3
1936	767	162	626	120.5	128.3	93.9
1937	892	187	670	139.1	137.4	101.2
1938	725	150	621	111.6	127.3	87.7

TABLE 4—Continued

EXCLUDING GOVERNMENT PAYMENTS						
Year	Net income from agriculture per farm	Net income from agriculture per person on farms	Income per person not on farms	Index of income per capita		Ratio per capita farm to per capita non-farm (1910–14=100)
	(1)	(2)	(3)	Farm (1910–14=100)	Non farm (1910–14=100)	
	Dol.	Dol.	Dol.	Pct.	Pct.	Pct.
1939	720	147	657	109.4	134.7	81.2
1940	773	157	716	116.8	146.8	79.6
1941	1,161	237	825	176.3	169.1	104.3
1942	—	350	980	260.4	200.9	129.6
1943	—	—	—	—	—	—
1944	—	—	—	—	—	—

INCLUDING GOVERNMENT PAYMENTS						
Year	Net income from agriculture per farm	Net income from agriculture per person on farms	Income per person not on farms	Index of income per capita		Ratio per capita farm to per capita non-farm (1910–14=100)
	(1)	(2)	(3)	Farm (1910–14=100)	Non farm (1910–14=100)	
	Dol.	Dol.	Dol.	Pct.	Pct.	Pct.
1933	444	94	417	69.9	85.5	81.8
1934	519	111	487	82.6	99.8	82.8
1935	739	158	540	117.6	110.7	106.2
1936	804	170	626	126.5	128.3	98.6
1937	940	197	671	146.6	137.6	106.5
1938	791	164	621	122.0	127.3	95.8
1939	833	171	658	127.2	134.9	94.3
1940	883	179	717	133.2	147.0	90.6
1941	1,245	254	826	189.0	169.3	111.6
1942	—	368	981	273.8	201.1	136.2
1943	—	—	—	—	—	—
1944	—	—	—	—	—	—

Bureau of Agricultural Economics, U. S. Department of Agriculture.

Column (1): Net income from agriculture per farm is column (5), table 2 divided by number of farms, column (3), table 3. This includes the net income to farm operators and to laborers living on farms.

Column (2): Income from agriculture per person on farms is net income, column (5), table 2, divided by number of persons on farms, column (1), table 3. Persons on farms include farm operators and their families, farm laborers and their families, and also some other persons living on farms. The total income per person living on farms is considerably larger than that from agriculture, as many receive income from nonfarm sources.

Column (3): Income per person not on farms includes nonagricultural income and the income from agriculture received by persons not on farms, as indicated in column (3), table 2, divided by nonfarm population, column (2), table 3. The indicated income per person not on farms is slightly too large on account of the fact that some non-agricultural income is really paid to persons on farms.

Column (4): Averaging the net income from agriculture per person on farms (2) for the years 1910–14, and relating the income for each year to this average, provides a series of index numbers for use in comparison with income per person not on farms.

Column (5): Averaging the income per person not on farms (3) for the years 1910–14, and relating the income for each year to this average, provides a series of index numbers for use in comparison with income per person on farms.

Column (6): This provides the parity measure of the relation of the net income of individuals on farms from farm operations to the income of individuals not on farms as specified in the Agricultural Adjustment Act of 1938.

Employment and earnings of industrial workers and other nonagricultural workers, United States, 1929–42

Year	Wage income of industrial workers	Labor income of other nonagricultural workers	Employment of industrial workers	Employment of other nonagricultural workers	Wage income per industrial worker	Labor income per other nonagricultural worker
	Million dollars	Million dollars	Thousands	Thousands	Dollars	Dollars
1929	14,454	37,358	10,836	25,638	1,334	1,457
1930	11,896	35,188	9,524	24,637	1,249	1,424
1931	9,115	30,693	8,072	23,143	1,129	1,323
1932	6,315	24,819	6,799	21,201	929	1,171
1933	6,570	22,810	7,301	20,633	900	1,090
1934	8,243	25,751	8,385	22,291	983	1,155
1935	9,327	27,621	9,822	23,125	1,057	1,194
1936	10,767	31,312	9,540	24,449	1,129	1,281
1937	12,608	33,534	10,361	25,412	1,217	1,320
1938	9,831	33,494	8,690	24,905	1,131	1,345
1939	11,323	35,053	9,416	25,600	1,203	1,369
1940	12,805	38,079	10,100	26,128	1,268	1,457
1941	17,528	44,737	11,810	27,562	1,484	1,623
1942	22,825	54,465	12,922	28,578	1,766	1,906

¹ Preliminary.

² Tentative estimate, July 1942.

Source: Division of Statistical and Historical Research, Bureau of Agricultural Economics.

Mr. ELLENDER. Mr. President, I ask the indulgence of the Senate for only a few more minutes. I should like to go more into detail with respect to the tables which I have offered, because I think they are very significant. They give us a picture which should be utilized by our critics in order to show the pittance which the farmers of our Nation are receiving, in contrast to nonfarm labor.

Another very interesting table shows the nonfarm income and the cost of family food purchases. It will be recalled that the reason wages had to be increased was the enormous advance in food prices. I have some figures to show the retail cost of 58 foods, compared with family income. These figures are taken from a survey which was made in 1918. The figures are based on a family of 4.9 persons.

In 1913 the family received \$1,046. That was the amount of cash that the nonfarm family received. The retail cost of all foods for that family was \$326. The retail cost of the 58 foods grown on the farms which were consumed by the nonfarm family was \$252. The percentage of food cost to income, for all foods, was 31 percent; and for 58 selected foods, 24 percent.

In 1941, the last year for which the figures are available, the per-family income has increased, from 1913, when it was \$1,046, to \$1,956, in 1941; and for all foods the percentage of food cost has decreased from 31 percent in 1913 to 22 percent in 1941. For the 58 selected foods the percentage of cost has decreased from 24 percent to 17 percent.

From 1913 to August 1942 the income of the average nonfarm family increased from \$1,046 to \$2,366. Today the cost of food for that family is \$514, or 22 percent of the family income. As I have just now pointed out, the cost of food has decreased from 31 percent to 22 percent, when we consider the added income.

Why some wages were permitted to go sky high, as it were, without attempting to stop them or curb them is beyond me. Certainly it was not because of any excessive rise in food costs. The reason for raising factory wages to the extent that they have been raised was not due to the rise in the cost of food.

Mr. President, I ask to have printed at this point in the RECORD, as a part of my remarks, the table to which I have just now referred.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE.—Nonfarm family income and cost of family food purchases, 1913-42

Year and month	Family income	Retail cost of all foods	Retail cost of 58 foods	Food cost as percentage of income	
				All foods	58 foods
				Pct.	Pct.
1913.....	1,046	326	252	31	24
1914.....	1,013	334	258	33	25
1915.....	1,029	330	258	32	25
1916.....	1,176	370	285	31	24
1917.....	1,329	477	370	36	28
1918.....	1,513	548	424	36	28
1919.....	1,624	611	470	38	29
1920.....	1,857	688	514	37	28
1921.....	1,599	523	404	33	25
1922.....	1,629	489	374	30	23
1923.....	1,810	506	384	28	21
1924.....	1,829	501	351	27	21
1925.....	1,905	542	410	28	22
1926.....	1,944	560	418	29	22
1927.....	1,927	539	406	28	21
1928.....	1,942	533	407	27	21
1929.....	1,979	540	415	27	21
1930.....	1,762	514	391	29	22
1931.....	1,505	424	322	28	21
1932.....	1,159	353	270	30	23
1933.....	1,105	343	264	31	24
1934.....	1,251	382	295	31	24
1935.....	1,338	409	331	31	25
1936.....	1,548	413	342	27	22
1937.....	1,614	429	353	27	22
1938.....	1,471	399	321	27	22
1939.....	1,558	388	311	25	20
1940.....	1,671	394	314	24	19
1941.....	1,956	430	342	22	17
1935-39 average.....	1,506	408	332	27	22
1942:					
January.....	2,152	474	378	22	18
February.....	2,173	476	381	22	18
March.....	2,200	484	384	22	17
April.....	2,233	488	386	22	17
May.....	2,259	496	392	22	17
June.....	2,313	502	398	22	17
July.....	2,342	508	401	22	17
August.....	2,366	514	402	22	17

NOTE.—Comparisons in this table are very rough estimates which refer to the typical workingman's family of 4.9 persons representing the average obtained in the 1918-19 Cost of Living Survey of the U. S. Bureau of Labor Statistics. The survey averages were \$1,513 for family income and \$548 for total food expenditure and it was assumed that these represented the calendar year 1918.

The series of family income estimates was obtained by applying to the \$1,513 in 1918 the changes in per capita nonagricultural income payments to individuals. The series of family cost of all foods was obtained by applying to the \$548 cost in 1918 the changes in the index of retail food prices as computed by the U. S. Bureau of Labor Statistics. The cost of 58 foods is from table 1 of this report. These series should be interpreted with care. Both the cost of all foods and the cost of 58 foods refer to fixed quantities of each food as purchased in 1918. Under circumstances of changing income and changing food prices a typical family would alter quantities purchased and alter the food outlay.

The comparisons do show the costs at which a family could purchase identical quantities of foods and what share of income this would require in each year.

Mr. ELLENDER. Mr. President, as I pointed out awhile ago, should the Thomas amendment be rejected, I shall propose to the Senate two amendments. If the first of them be agreed to, of course the second will not be offered. My only object is to try to put into the measure language which would make it not permissive, but obligatory upon the part of the O. P. A. or whoever administers the measure to include farm labor as an item in figuring parity prices or maximum prices on farm commodities.

I say to the Members of the Senate that when parity is figured without re-

gard to labor costs—labor costs considered as 100 percent when the parity basis was established in 1914, but which as of today have doubled—it does not take much calculation to ascertain where the farmer will be if he has to farm under such conditions. I plead with the Senate to incorporate in the pending measure language which will make it mandatory upon the agency administering it to include farm labor costs in calculating maximum prices of farm commodities so as to assure the production of the food needed by our armed forces and by our Nation.

Let us not forget that the farmers of our Nation are fighting a real battle to win the war. They are not profiteers. All they ask is a fair return so that they can keep going. I contend that the farmers constitute one of the most patriotic segments of our Nation and we should by all means keep them going so that we can win our battle of production which is so essential and necessary for the winning of the war.

Mr. ELLENDER subsequently said: Mr. President, during the course of my remarks this afternoon I said that in the event the Thomas amendment was defeated I would propose two amendments. I now ask out of order that these proposed amendments be printed in the RECORD and lie on the table.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). Without objection, it is so ordered.

The amendments intended to be proposed by Mr. ELLENDER are as follows:

Amendment intended to be proposed by Mr. ELLENDER to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, viz: On page 4, line 2, strike out all after the word "inequities" through the word "inequities" in line 13, as amended, and insert in lieu thereof the following: "Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes. In determining maximum prices for agricultural commodities all farm labor, among other costs, shall be included as an integral part of the production cost of such commodity and shall be taken into consideration in determining such maximum prices: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing."

Amendment intended to be proposed by Mr. ELLENDER to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, viz: On page 4, line 2, strike out all after the word "inequities" through the word "inequities" in line 13, as amended, and insert in lieu thereof the following: "Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes. In determining maximum prices for agricul-

tural commodities all hired farm labor, among other costs, shall be included as an integral part of the production cost of such commodity and shall be taken into consideration in determining such maximum prices: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 895) to provide for the registration of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution and they were signed by the Vice President:

S. 7225. An act to increase by \$600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended; and

S. J. Res. 129. Joint resolution to remove certain limitations on the cost of construction of Army and Navy living quarters.

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS].

Mr. LANGER obtained the floor.

Mr. BURTON. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BURTON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Gerry	O'Mahoney
Andrews	Gillette	Overton
Austin	Green	Pepper
Bailey	Guffey	Radcliffe
Ball	Gurney	Reed
Bankhead	Hatch	Reynolds
Barbour	Hayden	Rosier
Barkley	Herring	Russell
Bilbo	Hill	Schwartz
Bone	Holman	Shipstead
Brewster	Johnson, Calif.	Smathers
Bridges	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Tunnell
Chandler	McKellar	Tydings
Chavez	McNary	Vandenberg
Clark, Idaho	Maloney	Van Nuys
Clark, Mo.	Maybank	Wagner
Connally	Mead	Wallgren
Danaher	Millikin	Walsh
Davis	Murdoch	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	

The PRESIDING OFFICER. Ninety-two Senators having answered to their names, a quorum is present.

Mr. DANAHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Connecticut?

Mr. LANGER. I yield.

Mr. DANAHER. I thank the Senator.

Mr. President, I send to the desk and ask to have printed, printed in the RECORD, and lie on the table a proposed substitute for the pending joint resolution (S. J. Res. 161).

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Connecticut will be printed, printed in the RECORD, and lie on the table.

The amendment submitted by Mr. DANAHER is as follows:

Amendment intended to be proposed by Mr. DANAHER to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, viz: Strike out all after the resolving clause and insert in lieu thereof the following:

"That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this joint resolution, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities and to the extent that he finds necessary to aid in the effective prosecution of the war.

"SEC. 2. Section 2 (f) and section 3 of the Emergency Price Control Act of 1942 are hereby repealed.

"SEC. 3. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this joint resolution; and may exercise any power or authority conferred upon him by this joint resolution through such department, agency, or officer as he shall direct. The President may not under the authority of this joint resolution suspend any law or part thereof.

"SEC. 4. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out 'June 30, 1943' and substituting 'June 30, 1944.'

"(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such act shall, insofar as they are not inconsistent with the provisions of this joint resolution, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this joint resolution.

"(c) Nothing in this joint resolution shall be construed to invalidate any provision of the Emergency Price Control Act of 1942, or to invalidate any regulation, price schedule, or order issued or effective under such act.

"SEC. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

"(b) Any person who wilfully violates any regulation promulgated by the President under this joint resolution relating to wages or salaries, shall, upon conviction thereof, be fined not more than \$1,000.

"SEC. 6. The provisions of this joint resolution and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe."

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from North Dakota yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Oklahoma?

Mr. LANGER. I yield.

Mr. THOMAS of Oklahoma. Mr. President, I desire to make a very brief statement, and then I shall ask unanimous consent to offer an amendment.

The amendment pending before the Senate was offered by the Senator from New Mexico and myself jointly. The purpose of that amendment was to call the attention of the Congress and the country to the existing labor shortage on the farm and the trend toward food shortages. The amendment has already largely served its purpose, Mr. President, as indicated by telegrams which I have on my desk from all sections of the country, attesting to the fact that there is an existing labor shortage on the farms, and there is now a threatened shortage of food products throughout the United States. Already the Department of Agriculture has served notice that there will be rationing of meat products, especially beef products, in October, and I have before me a newspaper article, printed in this city to the effect that next year, in all probability, there will be general food rationing throughout the entire country. So I think that our purpose in offering the amendment has been largely served.

To the end that we might have some agreement, and bring this debate to a close, this morning at 11 o'clock a number of Members of the Senate, mainly from the Committee on Agriculture and Forestry, met. At that meeting a subcommittee, consisting of the Senator from Georgia [Mr. GEORGE], the Senator from New Mexico [Mr. HATCH], and the Senator from Vermont [Mr. AIKEN], was appointed to prepare what might be a compromise or the text of an amendment which we hoped might be acceptable to the so-called majority.

The committee worked on such an amendment and prepared and submitted it. It is in the nature of a substitute, and follows very closely the lines of the substitute which we understand may be offered, no matter what may happen on the vote on the pending amendment. The first few lines and the last few lines are the same as the suggested substitute.

The pending amendment provides that the basic parity formula shall be changed by the addition of labor costs. That is mandatory. The pending amendment further provides that all labor costs on the farm shall be considered, which means the labor that is hired, the labor of the farmer himself, and the labor of his wife and children, if they perform

labor. We propose as a substitute that the existing formula by which the parity prices are arrived at shall not be disturbed but that this limitation shall apply only for the duration of the war. That is change No. 1.

Change No. 2 is that, in place of directing the administrator of the act to consider all labor costs, which would include, as I have said, the labor to be hired, the labor of the farmer himself, and the labor of his wife and children, we simply say, "including farm labor," and leave it to the administrator to determine whether or not all labor shall be considered or whether merely hired labor shall be considered, or whether hired labor and the farmer's labor shall be considered. It leaves it flexible. We thought that by making these concessions we might secure an agreement, but apparently no agreement is forthcoming.

I want the RECORD to show that on last Wednesday I asked for a vote on the pending amendment, and I requested the Chair to announce the decision. After a show of hands, the Chair announced that a sufficient number had seconded the demand to make mandatory a ye-and-may vote, and so the yeas and nays are now ordered on the pending amendment.

I also want the RECORD to show that the proponents of the amendment are not responsible and have not been responsible for any delay which may have ensued. We were ready to vote then; we were ready to vote on Thursday, Friday, and Saturday. Today is Monday, and we are ready to vote now. So, in order that we may have this compromised suggestion on the desk of the Presiding Officer, I offer the amendment, and ask that it be printed in the RECORD, that it be printed in the usual form, and that the amendment, as printed, lie on the table.

I thank the Senator from North Dakota for yielding to me.

The PRESIDING OFFICER. The amendment will be received, printed in the RECORD, printed in the usual form, and lie on the table.

The amendment intended to be proposed by Mr. THOMAS of Oklahoma is as follows:

On page 4, line 2, strike out all after the word "inequities" through the word "inequities" in line 13, as amended, and insert in lieu thereof the following:

"Provided further, That (1) in fixing maximum prices for any agricultural commodity or for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, all productive costs of such agricultural commodity, including labor, shall be reflected in any such maximum prices so established or fixed by virtue of any authority contained in this joint resolution; (2) in fixing maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing, and (3) modifications shall be made in maximum prices established for any agricultural commodity or commodities processed or manufactured in whole or substantial part from any agricultural commodity, in any case where it appears that such modification is necessary to increase or maintain the production of such commodity for war purposes."

Mr. BARKLEY. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Inasmuch as the Senator from Oklahoma has modified his own amendment—

Mr. THOMAS of Oklahoma. Mr. President, a point of order. I have not offered to modify my amendment.

Mr. BARKLEY. What is it the Senator offers to do?

Mr. HATCH. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. May I offer the proposal sent to the desk by the Senator from Oklahoma as a modification of his amendment?

Mr. BARKLEY. That would not be in order. The amendment of the Senator from Oklahoma is already an amendment in the second degree, and all that can happen about it is that he might modify his own amendment, but neither the Senator from New Mexico, nor I, nor any other Senator can offer an amendment to that amendment or a substitute for it and have it pending as a substitute or as an amendment. I was trying to ascertain what the Senator from Oklahoma really did. He has not offered the proposal as a modification of his own amendment. What has he done to it?

Mr. THOMAS of Oklahoma. Mr. President, I simply offered an amendment and asked that it be printed in the Record, printed in the usual form, and lie on the table.

Mr. BARKLEY. Then it is an amendment to the bill, and not an amendment or a substitute for or modification of Senator's amendment.

Mr. THOMAS of Oklahoma. I made no reference to it as a modification of the amendment pending before the Senate.

Mr. BARKLEY. It would not have any effect unless the Senator offers it, as he has a right to do, as a modification of his own amendment. I am trying to be clear about what the Senator has done. He has not done anything to his amendment as it is now pending, but he offers an amendment to the bill which he wants to have printed and lie on the table.

Mr. THOMAS of Oklahoma. If we could get an agreement, and this matter could be brought to a vote, I should be glad, under the rules, to modify my amendment as I have offered it, but I have not asked for that and have not done it, and unless we can reach an agreement I shall not ask for a modification of the amendment.

Mr. BARKLEY. The Senator cannot even modify his own amendment, unless by unanimous consent, now that the yeas and nays have been ordered on his amendment. So, I suppose that the status is that the amendment of the Senator from Oklahoma, as originally offered, is still the pending question upon which the yeas and nays have been ordered; and that any amendment, sug-

gestion, modification, substitute, or anything else along that line which may be offered now, is only for the information of the Senate and may be printed and lie on the table as an independent amendment to the bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. BARKLEY. So we understand the situation. That still leaves the Thomas amendment as it is now before the Senate as an amendment upon which the Senate must vote before other amendments may be considered.

The PRESIDING OFFICER. The Senator from Kentucky is correct.

Mr. LANGER. Mr. President, because of the very able manner in which the Thomas-Hatch amendment has been presented to the Senate, I had not intended to speak, but after reading the editorial in the Washington Post Thursday morning, I felt that my duty to my constituents demanded that, with all the eloquence at my command, I resent in their behalf this wholly unwarranted and entirely contemptible attack upon certain Members of the House and Senate. The editorial, in part, says:

If today the Senate follows the shameful lead of the House and also submits to the wishes of the farm lobby, it will constitute, on the part of Congress, an abdication of its legislative function that will be deserving of the strongest possible censure.

Let there be no mistake about it. Congress is on trial. It cannot bow to the will of selfish interests, whether farm groups or labor groups, without arousing the scorn of all decent patriotic Americans. And by failing to take adequate measures to halt inflation it will leave the President with no choice but to use his war powers to do that job.

Mr. President, this attack upon the farmers by one of the millionaire newspapers is typical of what has rightly come to be known as the kept press. Among the 284 House Members who dared to vote their convictions there are outstanding citizens, both Democrats and Republicans, whose patriotism and whose honesty I will match with that of any member of the staff of the Washington Post, from the publisher down to the janitor. Those 284 Representatives voted in favor of what is contained in the Thomas amendment. All of them, I believe, are interested patriotically and honestly in the welfare of the United States.

Mr. President, I ask that before any Member of this body vote against the Thomas-Hatch amendment he read, not what may be contained in any radical newspaper, or some paper which may be considered radical, but that he consider a report made by a department of his own government, from which I read the following:

A recent study by the National Resources Committee indicated that in 1936 approximately 1,700,000 farm families throughout the Nation had an average income of less than \$500 a year. Nearly half of these families had incomes of less than \$250 per year. In other words, about 4,000,000 farm people were trying to live on an average income of about \$1 per week. This low income does not represent net income to these families, but it includes all feed and foodstuffs raised for home consumption, and represents gross

income from which rent and all farm operating expenses must be paid.

I ask any Senator in this body whether he himself would want to live upon an income of that size or have any of his relatives live upon it.

In a recent statement, Harriet Elliott, consumer commissioner on the National Defense Advisory Committee, warned that 45,000,000 people in this country are "living below the safety line right now," and called for action to wipe out undernourishment and malnutrition.

A survey of 100 needy farm families in two Georgia counties was made recently under the direction of the State medical school and the Farm Security Administration. This survey disclosed more than 1,300 health handicaps among these 100 families. Five hundred and seventy-five people in these families had 132 cases of rickets, 31 cases of suspected tuberculosis, 14 cases of pellagra, 288 cases of diseased tonsils, and a large percentage of hookworm. In addition, 360 of these people had defective teeth, and 124 had defective eyesight. That is more than one to a family.

Out of 109 women, 79 were suffering from tears resulting from neglect at childbirth, most of which could have been avoided by proper medical attention, and these 109 women also had 21 cases of suspected cancer. It is hardly surprising that these families had been failures and, in many cases, a burden on local relief rolls. A large number of the physical afflictions and diseases found among these people were the direct result of malnutrition. Many of these families did not know that they were sick. The communities in which they lived had thought them to be shiftless. The amazing thing is that these families were able to keep going at all as family groups, and not that many of them finally found their way to relief rolls.

During the past days I have viewed with apprehension the reaction of some of the majority leaders to the recent command for emergency legislation relative to inflation and prices and wages.

When we recall the famous quarantine speech the President made in Chicago, and think of all the mixed signals and fumbling on the part of the quarterback, it seems to me that this is the appropriate time for Congress to call time out and to go into a huddle and decide from now on a little more definitely what future plays are to be called, before we dilly dally and shilly shally around all over the field and lose the game.

The American people realize that this is no game of politics or sport, but rather a terrible game of war and blood, of the giving of life, and of the maintenance of our very existence as a nation.

I expected to call up later an amendment which would enable the Senate, in cooperation with the President, to deal fairly with agriculture, labor, and industry. The amendment simply asked the President to send the Senate the plan showing in detail the action he proposed to take on or after October 1. However, the distinguished majority leader has

since told us that the administrative officers had shown the President Senate Joint Resolution 161, and that he approved it. So, in view of that statement, it is unnecessary to call up the proposed amendment.

Mr. President, of course Congress is just as mindful of the dangers of inflation as is the Chief Executive. Inflation is one thing, and the delegation of unrestricted and unlimited authority to control inflation is something entirely different.

Congress has in the past delegated free and full power to the President to regulate and control other things, and in all too many instances the people have suffered from the indecision, the muddling, the wrangling among the multitude of bureaus and bureaucrats. The overstaffed and overlapping administrative agencies, by issuing hundreds of flimsy, irresponsible, contradictory, Executive orders, which have the force and effect of law, have kept the people of this country in a turmoil.

Mr. President, let there be no mistake about the fact that after the last World War the farmer emerged as "the goat."

The compelling cry in the last World War to the farmers was, "Raise wheat." Literally, millions of circulars and newspaper articles pleaded with the farmer to plow up every available acre and raise wheat for the military forces. "Wheat will win the war" was the cry. Hundreds of thousands of acres were plowed up in my State alone by honest patriotic farmers to meet the Government's wishes and commands. No one knows this better than does the senior Senator from Ohio [Mr. TAFT], who was intimately connected with the administration of the Food Control law administered by former President Herbert Hoover.

As was so eloquently stated a few months ago upon the floor of the Senate by the senior Senator from Minnesota [Mr. SHIPSTEAD], during the last World War everything the farmer had to buy went up—harnesses, farm machinery, twine, fuel, and everything else. We all remember that the price of wheat went to approximately \$3.50 a bushel, and that the Food Administrator, Mr. Hoover, called in all the secretaries of Agriculture from every State in the Union, and made a recommendation to President Wilson of \$2.26 a bushel for wheat at Minneapolis, which recommendation was adopted, and which left the farmer in North Dakota a trifle over \$2 a bushel.

Let me emphatically repeat, Mr. President, the price of almost nothing that the farmer bought was fixed by the Government, but the price of the wheat he had to sell was fixed.

I ask, where was the "kept press" then? Was there any protest on their part? Of course, with the farmer having to pay the prices which were demanded, with labor at that time going up to \$10 a day, there could be only one answer and that was bankruptcy on the part of the farmer. If I had the time today, Mr. President, I could call the roll of hundreds of farmers in the Northwest, yes; thousands of them, who, when the last

World War started, were well fixed, some of whom could even have been called wealthy but who, a short time later, were broke. Many of them died of broken hearts and their families were destitute for years. That was a part of the price paid by the farmers while 70,000 new millionaires were created in industry.

At that time, before the price of wheat was fixed, the Congress was told that those in authority would protect the farmer; they would see that he got a square deal. It was said that farming, with the millions of farmers dependent upon agriculture, of course, would be taken care of; it was said the farmers had to win the war.

When we look over the CONGRESSIONAL RECORDS of that time we find that the arguments made are startlingly similar to the arguments I have recently heard upon this floor, particularly the one by the junior Senator from Minnesota [Mr. BALL], when he said, on page 7566 of the CONGRESSIONAL RECORD:

Knowing the depressed condition from which farm prices began their rise and the struggle farmers have had for 20 years, I believe there is no question that if equity were all that we had to consider here, the farmer is entitled to still further increases in prices and income. Unfortunately, the equities of the situation are not all we must consider. The danger of inflation is a dynamic force which threatens not any one group, but our whole Nation. The welfare of the Nation must and should outweigh the interests or demands of any or all groups as we draft legislation to meet this danger.

That is what the opponents of the farmers said in the last World War, and it is significant that the "kept press" has approvingly quoted the junior Senator from Minnesota. However, the Commissioners of Agriculture of North Dakota and of Minnesota, both elected by the people of great farming States, do not agree with the junior Senator from Minnesota.

Four days ago I read into the RECORD the splendid letter written by the Commissioner of Agriculture of the State of Minnesota. I may also say that I read into the RECORD at the same time a telegram from the Commissioner of Agriculture and Labor in North Dakota, the Honorable Math Dahl.

Fortunately for the farmers of America we have a record showing the conditions of the farmers before the last World War, during that war, and since that time—a record prepared by the Bureau of Agricultural Economics of the United States Department of Agriculture.

I hold that document in my hand. It is entitled "Index Numbers of Prices Paid by Farmers for Farm Machinery, Prices Received by Farmers for all Commodities and for Grains, 1910-42, Inclusive."

Mr. President, I ask unanimous consent to have the table printed in the RECORD at this point as part of my remarks.

The VICE PRESIDENT. Without objection; it is so ordered.

The table is as follows:

Index numbers of prices paid by farmers for farm machinery, prices received by farmers for all commodities and for grains, United States, 1910-42

[1910-14=100]

Year	Prices paid by farmers for farm machinery ¹	Prices received by farmers for—	
		All commodities	Grains
1910.....	102	102	101
1911.....	101	95	96
1912.....	102	100	106
1913.....	98	101	92
1914.....	96	101	102
1915.....	100	98	120
1916.....	107	118	125
1917.....	126	175	217
1918.....	155	202	227
1919.....	161	213	233
1920.....	167	211	282
1921.....	156	125	112
1922.....	142	132	105
1923.....	146	142	113
1924.....	152	143	129
1925.....	153	156	157
1926.....	154	145	131
1927.....	154	139	128
1928.....	154	149	130
1929.....	153	146	120
1930.....	152	126	100
1931.....	150	87	63
1932.....	141	65	44
1933.....	137	70	62
1934.....	144	90	93
1935.....	148	108	103
1936.....	149	114	108
1937.....	154	121	126
1938.....	160	95	74
1939.....	157	92	72
1940.....	158	98	85
1941.....	161	122	96
1942—June.....	164
August.....	163	115

¹ Excluding tractors.

Bureau of Agricultural Economics.

Mr. LANGER. Mr. President, the first column is "Prices paid by farmers for farm machinery, exclusive of tractors"; the second column is "Prices received by farmers for all commodities"; and the third column is headed "Prices received by farmers for grains."

In 1910, which was, of course, before the World War, note that the index number of prices paid by farmers for farm machinery was 102, and the prices received by farmers for all commodities was 102, and for grains 104. Note these figures well because the farmer then was getting an even break.

In 1918 the index number shows that the price for farm machinery had arisen to 155, that the prices received for all commodities was 202, and for grains had arisen to 227. In other words, the price on farm machinery had gone up a little over half, while the price received by the farmer during the war had doubled. The farmer had to pay a little more than one-half more for every piece of farm machinery he purchased during those years.

But what happened during the years after the war was over? Farm machinery stayed up where it was, while the prices received by the farmers went rapidly down, so that by 1941, last year, we find that the farmer was paying more for farm machinery than he paid at the end of the first World War, because the index number is 161, but for prices received by farmers for all commodities we find that instead of the index number being 202 it is 122, a drop of nearly a half, while the price received by the farmer for grains dropped from 227 to 96. Think of it—

from 227 to 96—the farmer getting far less than half of what he got in 1918. Even more significant is the fact that the table shows that during the worst depression years, for example, 1932, farm machinery and other things the farmer had to buy did not go down. In 1932 the index number for farm machinery was 141, a drop only from 155 to 141, while the price received by farmers for commodities dropped from 202 to 65, and the price received for grains dropped from 227 to 44.

Is it any wonder that, aside from the drought, the rust and the hailstorms, the chinch bugs and grasshoppers, and the scores of other things the farmer has to contend with, thousands upon thousands of farmers went broke and lost their homes. Yet during all this time the price of farm machinery and the things the farmer had to buy stayed substantially where they were during the First World War.

Mr. President, I wish to make clear that by no vote of mine will anyone ever again single out the farmer for punishment, and that is what is sought to be done now. I am proud of the fact that as Governor of my State during 1933 and 1934, by Executive decree by the proclamation of a moratorium, I saved thousands upon thousands of farmers their homes in North Dakota.

Already the attitude of the administration in attacking farmers is showing results. Already the farmers are getting out of the farm business as fast as they can get out.

I hold in my hand a copy of the issue of Thursday, September 17, of the splendid weekly newspaper operated by the farmers of Mountrail County, known as the Stanley Sun. I call the attention of the Senate to the notice of the public sales, and will give three instances of them in chronological order.

The sale Wednesday, September 23, is on the Martin Grove farm, on the northwest quarter of section 9, township 157, range 92. The sale on the 24th is on the John Trovatten farm, 4 miles south of Palermo, and the wording of that public sale is significant. I will read it:

Having to quit farming, I will sell at auction on the John Trovatten farm, 4 miles south of Palermo on Thursday, September 24, 42 head of cattle—16 milk cows, 7 steers, 1 and 2 years, 4 heifers, 2 years old, 9 short yearlings, 6 calves; 3 work horses, 2 colts, 18 hogs, 100 pounds and up. Full set of machinery, feed, oats, and hay.

The sale on Saturday the 25th is on the Stomley farm, section 20, township 158, range 91. I will read the list of property which was sold there:

Twenty head Holstein cattle—9 young milk cows, 2 heifers, 1 year, 1 steer, 1 year, 8 spring calves, 3 head horses—1 gelding, 9 years old, 1 gelding, 8 years old, 1 3-year-old gelding; 100 chickens, 2 pigs, farm machinery.

Need I say more about sales when it is conceded that thousands of farmers are quitting?

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. SHIPSTEAD. Last week Minnesota newspapers carried a news item quoting Mr. Jones, Secretary of the

Minnesota Farm Bureau Federation, to the effect that after a survey of farm conditions in Minnesota it was learned that there have been more than 10,000 farm sales in the State of Minnesota.

Mr. LANGER. I thank the Senator.

Mr. President, during my illness last month I spent several weeks on a farm. Farm wages have gone up and up and up; and yet if we are to follow the opponents of the Thomas amendment the young boys and girls who work on these farms, anyone of whom could be hired by a neighbor and receive good pay, ought to receive nothing for their work. The housewife, who gets up at 4 or 5 o'clock in the morning and slaves as only a woman on a farm must slave to keep body and soul together, is not to be considered. The owner of the farm who becomes prematurely old is to be left to die in the poorhouse. The terrific increase in wages of hired help is not to be considered either. Of course not. Such costs have not been considered in the past. Why should they be considered now?

Mr. President, history will record that the action taken in the House by both Democrats and Republicans rendered a tremendous service to the farmers of the country. Those men resisted the efforts of big business interests again to rob, wreck, and ruin the farmers. I cannot too highly commend the distinguished senior Senator from Oklahoma [Mr. THOMAS] for his foresightedness, his patriotism, and his unfailing tenacity in seeing that the farmers get the square deal to which they are entitled. As for myself, I shall stand behind him and hold up his hands.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WHEELER. I have received a letter, written in longhand, from a farmer in Montana. The letter is from Mr. Alexander Truchot. He says in part:

I am writing you this letter in the hope that you will be able to save the livestock industry.

The President says that livestock prices are too high. You must remind him that the cost of raising livestock has gone up to so high a figure as to force many growers out of business. In this vicinity we have to pay from \$7 to \$10 a day for help when we used to be able to get it for \$2 or \$3.

I have received many similar letters, absolutely proving what the Senator says. The farmers are being forced out of business because of the tremendous increase in farm wages which they must pay at the present time. Farm labor costs from \$7 to \$10 a day, whereas it used to cost \$2 or \$3. It is simply impossible to pay such wages.

The other day I received a letter from a gentleman in New York criticising my stand with reference to the Thomas amendment, and telling me how the people of New York could not afford to pay the prices they were having to pay for pork chops and beefsteak. Unless the people in New York who are now complaining about high prices recognize the fact that the farmer must receive higher prices for his products in order to produce them, they will wake up some

morning and find that they have no farm products to eat. They will have no pork, beef, or mutton to eat unless the farmer can afford to raise it.

Only the other day about 52 carloads of breeding sheep were shipped out of the State of Montana to the slaughterhouse, because the owners could not afford to keep men on the farms to take care of them.

Mr. LANGER. I thank the Senator from Montana for his statement. The Senator from Montana is known all over the Northwest as one of the real champions of the farmer and the laboring man.

Mr. President, I have only the best of personal good feeling toward the distinguished junior Senator from the State of Michigan [Mr. BROWN]. I really like him; but in his enthusiasm for his cause he said certain things in his speech which I am certain he would not have said in a calmer moment.

From that speech I quote:

Then when the news of what was to be contained in the joint resolution went out, the trains coming into Washington were filled with representatives of the farm bloc.

* * * Mr. President, it is a question of who is conducting the affairs of this country. Everyone knows that it is easy for a minority group to heat the wires, send us telegrams, call us by telephone, and fill our offices with mail asking that we resist a certain measure; but you and I know that we do not hear from the vast majority of the American people.

My telephone has not been ringing; my mail has not been flooded with inspired letters or telegrams, and although I have not been flooded with inspired letters or telegrams, and although I have not been standing around in the Union Station, I am entirely satisfied that the trains were not jammed with farmers coming down here to lobby. Farmers in my State, at least, would have neither the money nor the time to come to Washington. They are too busy trying to win the war, too busy trying to get the grain threshed, the potatoes dug, and the corn shocked.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. THOMAS of Oklahoma. I should like to read one paragraph from a newspaper printed in the far Northwest. This item is from the Capital Press of Salem, Oreg. The headline is:

Auction sales are warning. Farmers' trek to factories sounds dairy's death knell.

The article tells of the great number of sales being held in that section of the country. This is one paragraph from the news article:

Many of the auctions are being held on Sundays as the owners are already employed elsewhere and this is their only day off.

The point is that farmers do not have the time to have sales on weekdays. They must have them on Sundays so as to attract other farmers to their sale as possible buyers.

Mr. LANGER. I thank the Senator.

I wish the distinguished junior Senator from Michigan to know just exactly who has been telegraphing and writing me.

A telegram from the North Dakota Stockmen's Association reads as follows:

We strongly urge you to support the Hatch amendment to present pending price-control bill. We believe that in order to establish a just parity on agricultural commodities it is absolutely necessary to include agricultural labor in the base.

This association is made up of farmers and ranchers who raise cattle so that the American soldiers may have beef. I ask the distinguished Senator, have they not a right to telegraph their Senator?

The next telegram I received was from Hon. Math Dahl, commissioner of agriculture and labor in our State, a man whose business it is to be thoroughly acquainted with the situation of the farmers, a man who several times has been called to Washington to render service to his Government, a fine, substantial, patriotic citizen, an actual dirt farmer who has more than 100 head of cattle on his ranch in Emmons County, and a man of such ability that he has been made a director of the National Association of Commissioners, Secretaries, and Directors of Agriculture. His telegram is as follows:

As official representative of all the farmers of North Dakota I urge you to support proposal to amend parity formula in price-control bill including cost of farm labor. Agriculture needs and is entitled to this protection to be on par with other industries.

I also received a telegram strongly supporting the amendment from O. E. Erickson, State commissioner of insurance, another loyal, honest, hard-working dirt farmer who has been a leader in the long fight for justice for the farmer.

I received a telegram from N. C. Norgaard, of Portland, N. Dak., which I told in my hand, and which reads in part as follows:

Farmers getting 35 cents per bushel for potatoes, paying 8 cents for picking, 3 cents for trucking, which leaves 24 cents. Does this cause inflation?

Further on in the telegram he says:

Why take everything out of the northwestern farmers who are selling their grain at prewar prices but paying wartime prices for equipment, repairs, and wages.

A letter dated September 23 came from Hon. J. A. Coffey, of Jamestown, N. Dak., who was a district judge of our State for 18 years, a man of the highest reputation and unquestioned patriotism.—His letter corroborates what the other messages have stated.

Another letter came from Hon. R. F. Gunkelman, of Fargo, N. Dak. Few men in our State know more about farming conditions than he does. He is an expert because of his experiences with elevators, dirt farming, and the grain situation. Two hundred farmers met in North Dakota last week and appointed Mr. Gunkelman to write this letter, which is three pages long.

I ask unanimous consent to have it printed in full in the RECORD so that Senators may read it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERSTATE SEED & GRAIN CO.,
Fargo, N. Dak., September 23, 1942.

HON. WILLIAM LANGER,
United States Senate, Washington, D. C.

DEAR SENATOR: All of us living in the agricultural areas of the West naturally have been very much interested in the debate going on in Congress with reference to farm prices. We have watched the fight put up by the so-called farm bloc. We believe, however, that there is one phase of the situation that escaped the President's attention. It perhaps has not had the consideration from the Senate that should be given to this angle of the situation.

In the first place let me say that farmers are just as much concerned about winning this war and are doing all they can to bring about victory as well as any other class of citizens or perhaps even more so. But they are facing a situation which is really critical.

Last evening it was my privilege to attend a community meeting at Grandin, N. Dak., a typical agricultural village in the Red River Valley. At this meeting some 200 farmers were in attendance, discussing the situation with which they are now confronted. They delegated me to write this letter to you, setting forth the consensus of opinion brought out by this meeting.

You, of course, are familiar with that part of the Red River Valley. Grandin is a small town in the heart of one of the best agricultural areas in the Red River Valley. The community has consistently shipped close to a million bushels of grain annually besides shipping large numbers of livestock, potatoes, sugar beets, and other agricultural products. The average farm tributary to Grandin is just a little under a full section of land. Naturally farms of that size are confronted with quite a labor problem.

At this meeting last evening, the fact was brought forth that there would be 11 farm sales in that neighborhood this fall. I am going to give you specific instances of why these farmers are selling out and quitting the farm. These instances will demonstrate the point that these farmers wish to emphasize.

Hovachek brothers operate an 800-acre farm, growing grain, some potatoes, and feeding a considerable amount of livestock each year. These men are in their late thirties. About 18 years ago they left North Dakota and went into the lumber industry on the Pacific coast. They became proficient in handling crews in the lumber woods. Four years ago their father died and they came back to operate the farm for their mother. This year they had in over 500 acres of grain of all kinds. They had an exceptionally good crop. Weather conditions have been very bad this fall and labor conditions still more serious.

In talking with them they pointed out that on account of damaged grain they cannot get loans on their grain. Their wheat is netting them from 93 to 94 cents per bushel. Their barley about 44 to 45 cents per bushel. Recently they received an offer from their former employers of \$600 per month to act as foremen in the lumber camps of the West. These men feel that they cannot pass up that kind of pay. They are having a sale and this large farm will lay fallow until the end of the war as they cannot get renters.

Another instance: You will recall the Brown farm which the writer and Mr. Thompson farmed for quite a few years until Mr. Thompson was killed in an auto accident. This farm has been rented to Jens Letness. Mr. Letness not only is an excellent grain farmer, having in over 600 acres of flax this year, but also a big potato grower, growing certified seed. Two of Mr. Letness' sons have been called into the Army and he cannot get labor. He is well along in the sixties, so is

having a sale and discontinuing farming all but a half section at Hillsboro.

August Grothman, with whom I think you are acquainted, has been farming 1,480 acres, is being forced to reduce to 440 acres. The rest of the land that he has been farming will lay fallow.

Hans Anderson, a fairly young man, who has had considerable flying experience, has been farming a section and a half of land, is having a sale and quitting the farm and has a job ferrying planes across country.

I could go on and cite instance after instance, not only in that neighborhood but in every community in the Red River Valley. The point that we are trying to bring out is this: A farmer is not so much concerned about the price that he gets for his product, although damaged wheat bringing from 85 to 93 cents and on which the farmer cannot get a loan does not pay big returns when the farmer has to pay \$6 a day for labor when he can get that labor.

War industries paying extremely high wages are attracting the farm labor from this section as well as other sections of the West, leaving the farmers stranded for help. All of these farmers tell us that if they could get higher prices for their products they, of course, could pay higher wages and perhaps compete and hold some of this labor to the farms. But under present farm prices it is impossible for the farmer to pay high enough wages to keep labor on the farm.

What labor they do get is mostly old men that cannot give a full day's work or who are not competent workmen. Most of the farms are highly mechanized and it really takes good mechanics to operate this machinery. Thousands of the young men who were operating this machinery have gone into the Army and in most instances leaving the older men on the farms.

We are all interested in winning this war. I believe, however, food is highly essential to the war effort. It is true that just for the present we have large surpluses of wheat, but with the reduction in acreage that we can visualize, this surplus will disappear very rapidly. We need to produce large quantities of flaxseed, but this acreage will naturally have to be reduced. We need to feed and fatten large numbers of cattle, hogs, and sheep. But with the shortage of labor a very small percentage of the usual numbers of cattle, sheep, and hogs are being fed on Cass County farms this year. A year ago at this time there were hundreds of thousands of sheep in feed lots here in the Red River Valley. So far, but very few sheep have been brought in. Farmers are too short of labor to attempt a feeding program.

Some of your old Casselton friends, who have been feeding large numbers of cattle for many years past, have not a single head in the feed lot at the present time. Such men as Joe Runck, Senner brothers, Ralph Gromesh, and the Roden boys, with whom you are acquainted, have not put any cattle in the feed lot to date.

Either wages must be frozen at a level that will allow agriculture to compete or agricultural products will have to be put on a level that will allow the farmer to pay the wages that industry is paying. There is no other way out. I hope that I have made myself clear as I was delegated to bring this picture to you, so that you, in turn, can bring it to the Senate committee that is considering this whole matter.

We in North Dakota are just as patriotic as any citizens of the United States. The very fact that we have furnished more men per capita for the armed forces than most States bears out this statement. But we are simply trying to put some cold facts before you so that some of these matters that are vital to agriculture may have due consideration.

We trust, Senator, that you will see that this information goes to the right people. I am sending a copy of this letter to Secretary Wickard so that he may have some idea how farmers in this area feel and also have some idea as to the problems they are facing.

Very sincerely yours,

R. F. GUNKELMAN.

Mr. LANGER. Mr. President, let there be no mistake about this matter. As I view it, every Senator voting either for or against the Thomas-Hatch amendment will be voting—consciously or unconsciously—either for or against the general welfare of the farmers of the United States.

To get back to the speech of the Senator from Michigan [Mr. BROWN], to my amazement I heard him say—and it is reported on page 7647 of the CONGRESSIONAL RECORD:

I then stated that I would be with the President, even at times when I thought he was wrong, because he is the Commander in Chief.

Mr. President, is that the kind of support that Franklin D. Roosevelt is entitled to receive at the hands of any Senator? Does not the distinguished junior Senator from Michigan really feel in that great big heart of his that in this matter the Senator from Oklahoma [Mr. THOMAS] and the Senator from New Mexico [Mr. HATCH] are right and that the President is wrong, that the Committee on Agriculture and Forestry, which voted 14 to 1 in favor of the Thomas amendment, is right and that the President is wrong, and that the House of Representatives, which voted 284 to 96, is right and that the President is wrong? Did the junior Senator from Michigan mean what he said when he stated in his speech—

I then stated that I would be with the President, even at times when I thought he was wrong, because he is the Commander in Chief.

Yet, upon reading the appeal of the Senator from Michigan to his colleagues, one is constrained to feel that loyalty to the President is superior to, and held above, his loyalty to the American people and his own conviction as to what is right and what is wrong.

Mr. President, in another part of the speech of the distinguished junior Senator from Michigan, he had much to say about the assistance given to the farmer by the present administration. It is easy to make such claims as that. I have heard similar statements made ever since I was a little boy. Every time a Senator, a Representative, or someone else goes looking for farmers' votes he tells the farmer what a great man the farmer is. The politician will go out and help milk the farmer's cows and will sit down at the farmer's table at meal time and will tell the farmer's wife what a splendid cook she is.

Mr. President, the farmer is a great man at the time when the politician is looking for his vote. How the politician loves the farmer at that time. And how promptly, as the record shows, the politician forgets him once he is safely in office. So let us see what the record is.

Speaking as a North Dakota farmer actually operating a farm, I well remem-

ber when 5,000,000 little pigs were put to death. I remember when the Government agents took cows I had paid \$60 each for, drove them to a sand pit near Menoken, and shot them, and paid \$20 apiece for them.

How well we could use that pork and that beef now. But we were to have a new doctrine—not the doctrine so clearly enunciated by Joseph in the Bible, but the doctrine of getting rich by killing off our livestock; we were to have the doctrine of scarcity.

Next, our wheat acreage was reduced. Today a farmer in Cass County who has 640 acres of fine, fertile land is allowed to raise approximately 141 acres of wheat.

We had too much wheat in North Dakota—far too much wheat; and we were told that we should let our fine black soil lie idle. But at the very time when the Government was paying our farmers not to raise wheat in North Dakota, its agents went to barren places in other States and put in great irrigation projects costing millions of dollars. For what purpose? To raise wheat.

Strange as it may seem to us, at the very time when farmers were told not to raise wheat or cattle, hundreds of thousands of bushels of wheat were imported from Canada, and trainloads of cattle purchased from Canadian farmers were imported into our country. That was to the north of us. It was said that the farmers would have to take care of our neighbor to the north.

Mr. President, most of us are only too familiar with the good-neighbor policy applied to countries to the south of us. We all know about Argentine beef—Argentine beef that in 1933, 1934, and 1935 was imported and sold by the packers all over the United States, while our Government was shooting our \$60 cattle and giving us \$20 a head for the carcasses.

Mr. President, what is the situation today in the Northwest? During the last World War the price of wheat in North Dakota was not only put down to \$2 a bushel but under a regulation which was promulgated if the wheat contained a certain amount of foul weeds or had a certain moisture content it went into a lower grade. Of course, all of us agree that to a certain point that is all right, but in the last World War the Secretary of Agriculture established, as I remember, 56 different grades of wheat. The regulation provided that the different grades had to be kept in different bins, so that the average elevator operator who purchased grain in North Dakota, and whose elevator had only 11 bins, had the farmer at his mercy. The elevator operator could pay what he chose to pay. When the farmer brought the grain to the elevator the operator would say, "I am sorry; I cannot take it. I have only 11 bins, and your wheat is not the kind of grain that can go into any one of those, because I already have 11 grades in the bins." The situation became so bad that, as attorney general of the State, I appealed to Herbert Hoover, Food Commissioner, for relief. He said he would send someone out to look into the matter. At about that time another regulation was issued, providing that if the farmer did not sell his wheat within

30 days after threshing it the Government could step in and take it over at whatever price it thought best. I mention those regulations, Mr. President, because by the substitute measure which is being brought up an attempt is being made to do exactly what was done in the last World War: to have someone not elected by the people—some board—make the rules.

So in the town of Baldwin, N. Dak., a local food administrator named O. W. Roberts grabbed 2,000 bushels of wheat which a farmer held 2 or 3 days longer than the regulation prescribed, and—believe it or not—that wheat was sold for \$1 a bushel, although at Minneapolis it would have sold for \$2.26 a bushel.

I promptly arrested the elevator manager who bought it, the elevator man who sold it, and the county food administrator. After those arrests were made, I received a telegram from Herbert Hoover saying that North Dakota was dominated by "Reds and radicals," and that he "was sending Hon. ROBERT A. TAFT, son of President Taft, his assistant, to appear in court for the elevator men and the county food administrator."

Sure enough, a few days later the present distinguished senior Senator from Ohio appeared upon the scene in North Dakota.

The senior Senator from Ohio is a reasonable man; and when he made his investigation he not only helped see to it that the farmer who had been robbed got \$2.26 a bushel for his wheat, but for 3 days he and I drove all over the prairies in North Dakota investigating the wheat situation, and between us we finally secured a complete revision of the entire grading system. Instead of having 56 grades, as I recall the number, they were reduced to 10. However, in the meantime the farmers had been mulcted, just as they are being robbed today under the present administration.

Today there is no real grain regulation in the Northwest. Elevator operators can pay what they please. The State commissions have no authority because, owing to the war, the Federal Government has taken charge.

To show exactly what is taking place, I hold in my hand two elevator slips.

This grain was hauled in by A. F. Teigen, a farmer of Moorhead, Minn., who owns some land in North Dakota. He hauled in this barley on the first slip, and it amounted to 164 bushels and 28 pounds, and the elevator man docked him—how much do you suppose, Mr. President—15 bushels, or about 9 percent of his crop. When Mr. Teigen protested he was informed, "We can pay what we please; we are not regulated by anybody." Then Mr. Teigen took the next load, out of the same field, threshed at the same time, to an elevator at Harwood, N. Dak., and although he had 171 bushels and 42 pounds in that load he was docked only 3 bushels and 16 pounds. In other words, this farmer was robbed of 12 bushels of barley on the first load.

Mr. President, all the elevator men in North Dakota are not crooks. The overwhelming majority of them are honest. But I want the Senate to know how the administration is bungling its job in be-

half of the farmers of the Northwest; how grain bins, which it was known away back last April would be needed in North Dakota to store grain, even now have not been furnished; how millions of bushels of wheat are piled upon the ground; and how, even when grain bins were furnished, the farmers were mulcted and made to pay \$265 apiece for certain grain bins, while private individuals built better bins, holding the same amount of bushels, for \$215.

I call the attention of the distinguished junior Senator from Michigan to the great surplus of wheat about which we have been hearing so much. The farmer could not get a decent price, they said, a few years ago because of the tremendous surplus of grain. We were told in the Northwest to feed the grain to the hogs and the cattle.

At the same time a report had already been made by the Department of Agriculture stating that synthetic rubber could be produced from this grain. Why was it not done? Our wheat at that time was being sold for 24 cents a bushel, our rye for 11 cents, our oats for 7 cents, and potatoes could not be given away for the digging. Why were not these products of the farmers used to manufacture rubber as the report of the United States Department of Agriculture, dated in 1938, said could be done? We know the answer. We know that from 1930 to date many foreign countries, according to the report of the United States Government itself, were making rubber from grains. I have the document before me. Away back in 1930 a number of foreign countries were making rubber from alcohol derived from grain. On page 112 the document tells about Germany doing it, and also France, Italy, Austria, England and Ireland, Spain, Sweden, Switzerland, Czechoslovakia, Bulgaria, Lithuania, Hungary, Yugoslavia, Poland, Australia, Japan, the Philippine Islands, Cuba, Chile, Panama, Peru, Brazil, Angola and Mozambique, the Union of South Africa. That was away back years ago. The document to which I have referred was published by the United States Department of Agriculture. It is miscellaneous publication No. 327, entitled "Motor Fuels From Farm Products." The matter to which I have referred is found on pages 112 to 117, and the date of publication was December 1938.

Mr. President, during the course of the debate on this amendment there have been whisperings in the cloakrooms and on the floor about communism, stimulated no doubt by the report Representative Dies made to the House of Representatives the day after the House had voted so overwhelmingly in favor of this amendment. In his report Mr. Dies had much to say about communism and by indirection tried to smear the Farmers' Educational and Cooperative Union of America with the tinge of communism because they had received the sum of \$22,500 from the Robert Marshall Foundation. Of course, Mr. Marshall was not a Communist; nor was any member of his family a Communist.

On the board of trustees of the Robert Marshall Foundation is Mr. Gardner Jackson, whom Mr. Dies accuses of being

a Communist. So by accusing Mr. Jackson of being a Communist, Mr. Dies assumes that any organization benefiting from the Robert Marshall Foundation is a priori communistic. That is as close as Mr. Dies gets to involving that splendid farm organization with communism.

Mr. President, I do not know the Honorable James Patton, national president of the Farmers' Educational and Cooperative Union of America, but it will be remembered that the distinguished Senator from Michigan read into the record a letter from Mr. Patton opposing the Thomas amendment which I am supporting. That simply means that, so far as this one particular measure is concerned, Mr. Patton and I do not agree. However, I am certain that every Senator will agree that Mr. Patton has just as much right to express his views upon this amendment as has Mr. O'Neal, Mr. Goss, Mr. Holman, or anyone else. Furthermore, because Mr. Patton does not happen to agree with the other three high-ranking farm officials on this does not in the slightest measure mitigate against him. I am told he is a gentleman of the highest caliber. As I said before, I have never met him, but I resent, with all the power at my command, what the junior Senator from Michigan said about all these gentlemen. I resent the statement intimating that they were not real farmers. Every Senator upon this floor knows that the leader of every one of these farm organizations, Mr. O'Neal, Mr. Goss, Mr. Holman, and Mr. Patton all have come up in the democratic way and that everyone has been a dirt farmer.

Surely if there were the faintest tinge of communism in the Farmers Educational and Cooperative Union it would manifest itself in one of its component parts, of which the North Dakota Farmers Union is one. I believe I know considerable about the Farmers Union in North Dakota. I am personally well acquainted with every one of its officials; I know its employees and I believe I know the overwhelming majority of the 25 or 30 thousand families who are members of the North Dakota Farmers Union.

The farmers of North Dakota are proud of their membership in the Farmers Union, and I can assure the Senate that the farmers of North Dakota are not only intensely patriotic American citizens, but are naturally inclined to be capitalists rather than serfs or slaves.

Furthermore, the majority of the members of the Farmers Union belong to a nonpolitical organization known as the Nonpartisan League, an organization of farmers and laborers and small businessmen who meet every 2 years to endorse candidates on the Republican, Democratic, or independent ticket. Because of the underhanded attempt to make it appear that the Farmers Union has some indirect connection with the Communists, I call the attention of the Senate to the fact that in 1936 the Non-Partisan League, in open meeting, expelled from its convention in Bismarck, one of the delegates because he admitted he was a Communist.

Far more significant is the direct action taken by the people of North Dakota

in regard to communism. Owing to the high-handed policies of the reactionaries, so well illustrated in this city by the Washington Post in its editorial last Thursday, the farmers, laborers, and small businessmen of North Dakota were subjected, during the depression, to the most merciless and cruel foreclosures, not only at the hands of the North Dakota bankers, but even the Federal Land Bank of St. Paul, a department of our own Federal Government, joined. Of course, big insurance companies from the East, and rich mortgage holders from everywhere, also joined in the nefarious practice of taking the land and the chattels from the poor farmers and working men. For example, in one small town alone there were 34 orders of eviction brought against laborers because they could not pay their rent, and the families were thrown out on the street. Of course, treating people in that way brought about communistic attitudes there, as it would and will anywhere else. So, in the 1932 election, following several years of that kind of treatment, 5,000 farmers and laborers voted the Communist ticket in North Dakota, and one of the men whom I opposed for the governorship received approximately 5,000 votes in November 1932, running on the Communist ticket.

In North Dakota we did not do as some other States have done, namely, pass a law prohibiting a Communist column on the ballot. On the contrary, we had an investigation made to find out why a man or woman would vote the Communist ticket, and it did not take us long to discover the reasons. We found the chief reasons were hunger, want, and suffering—reasons enough to make people vote almost any kind of a ticket.

In 1933 a hunger march was organized to march upon the capitol in Bismarck. It was headed by a man known as "Red Flag" Taylor, from Plentywood, Mont. If North Dakota had had a reactionary party in control, those hungry marchers might have been treated the way the soldiers were when they marched on Washington demanding the soldiers' bonus. Instead of that, we met the marchers about 25 miles from Bismarck; we provided food and beds for roughly 1,000 people and then we gave them a chance to talk. As Governor, I called a joint session of the legislature and requested that these people be permitted to take as long to air their grievances as they felt necessary.

At the end of 36 hours they had told us what was wrong with the State government, and we promptly proceeded to do something about it. The result was that 2 years later, there were not 5,000 votes for the Communist Party, but only 1,100, and 2 years after that, the same man running for Governor on the Communist ticket polled slightly over 300 votes. Since this was not half enough votes to give the party legal status in North Dakota, the party disappeared from the ballot.

Mr. President, I have always felt that President Roosevelt has sensed injustice to poverty-stricken people in a most unusual degree. I have always felt, and I feel now, that the President has done

much for the underprivileged third of our population.

Mr. President, I want to make a statement now which to certain of the conservative Members of the Senate may sound radical, and perhaps even unwarranted. First, let us think back to the Republican National Convention, at which Gov. Robert M. La Follette dared to present his great Progressive platform, knowing full well that he would be called a socialist, a radical, a rabble-rouser, and an anarchist. It is interesting to note that the one Republican delegate to support Governor La Follette's platform at that convention was a delegate from North Dakota, the late United States Senator A. J. Gronna. We can all see now that if the Republican Party had adopted the La Follette platform at that time, there is every reason to believe there would have been no New Deal. It is also interesting to note that before Governor La Follette died he had the satisfaction of seeing 32 of the planks of that platform written into the law of the land.

Because of my deep faith in progress and in the ultimate effectiveness of democracy, and because of my certainty that the American people will always rise to protect themselves when they finally realize that special interests are grinding them down to abject slavery, I venture to suggest in the midst of this campaign by the "kept press" and the big interests and all that they represent to make the farmer look unpatriotic, selfish, greedy, and self-seeking, that it would be well for the Congress to remind themselves of what took place at the close of the last World War, and to realize that unless justice is given to the farmer, the laborer, and the small businessman right now, an economic and social catastrophe of much greater proportions will overwhelm us when this war is over. I desire to repeat that unless the problems facing the farmer are given effective attention, we are headed for an even greater collision than that prophesied by the junior Senator from Michigan.

Senators will recall what followed the last World War, when thousands upon thousands of farmers, workers, and small businessmen lost everything they had—property, jobs, health, morale, faith in the future—their all. As I have repeatedly said, neither the North Dakota farmer, nor anyone else, can exist unless he gets the cost of production plus a reasonable leeway. Unregulated exploitation of the many by the few must stop.

Because the farmers of North Dakota were courageously awake to the problems of the day many serious situations have been averted. For example, North Dakota had no soldiers' bonus march. Instead, we were the first State in the Union to pass a soldiers' bonus law, and the North Dakota soldier boy received more money in cash than the soldier of any other State.

During the debate last Friday one of the Senators commented that the farmers were not organized. Mr. President, the farmers may be unorganized in other States but that is not true in North Dakota, thank God, and through being organized the farmers there have already

accomplished what the farmers will ultimately accomplish in every State in the Union.

Do not think it was an easy fight in North Dakota or will be an easy fight in any other State. When the farmers took control of their own government in our State the kept press insultingly said that they were so ignorant that straw ought to be put on the legislative floors at the State capitol so as to make the farmers feel at home. They were ridiculed and sneered at then just as the radio, the kept press, and the big interests are ridiculing them, sneering at them now. Having won the right to work out their own problems in a free and open election, the farmers immediately found themselves in a head-on collision not with the President of the United States but with the big vested interests, the interests so well described by the Senator from Iowa [Mr. GILLETTE] last Friday—the same interests which today tell the consumer so glibly that the reason why food prices are higher is that the farmer is profiteering, when, as a matter of fact, the farmer actually gets a very small part of the consumers' dollar.

In order to fortify themselves for the great fight ahead, the North Dakota farmers created the State Industrial Commission in 1916, consisting of the Governor, the attorney general, and the commissioner of agriculture and labor, to take charge of certain industries within the State. Incidentally, I had the honor, although still in my early twenties, to be elected attorney general that year, and so was the first attorney general to serve on that commission. I mention that only to indicate my personal familiarity with the program, and to pay tribute to that splendid group of American citizens who dared to see and to do.

At that time interest rates on first mortgages on farms were 10 and 12 percent. I have in my office an abstract showing that I paid 12 percent on a first mortgage on a piece of land in Morton County, N. Dak. The North Dakota farmers met that issue by creating the Bank of North Dakota, with a \$2,000,000 capital. When the law creating the Bank of North Dakota was referred to the people at a general election by the bankers and the kept press it was overwhelmingly adopted by the people themselves. Since its organization 24 years ago, the Bank of North Dakota, owned and operated and controlled by the State, not by the big vested interests, has been so successful that today it is one of the strongest financial institutions between Chicago, Ill., and Seattle, Wash., and has made a profit for the taxpayers of approximately half a million dollars each year.

I call the attention of the distinguished senior Senator from Iowa to the fact that the North Dakota consumer pays a dollar less a barrel for his flour than is paid elsewhere. This is possible because North Dakota farmers organized their own State mill and elevator, and have been so successful that in 1939 in the handling of light-weight wheat alone they saved the farmers of our State \$12,000,000.

I call the attention of the Senators especially interested in insurance legislation to the fact that once aroused, the farmers of North Dakota did not stop

with the organization of the Bank of North Dakota and the erection of the State mill and elevator, but they also went into the insurance business a long time before there was any Federal insurance. North Dakota insured the farmers against hail with the result that since the passage of that act the farmers of the State have been saved over \$40,000,000. Every public building and every school house is insured, not by some outside fire insurance company but by the State of North Dakota. So successful were we that the rates were cut more than half, and we have a surplus fund, as I now recall, of approximately \$2,000,000, all of it without one single dollar of taxation to the people.

In the same way the State insured against tornadoes and cyclones and in this they have been just as successful.

Likewise, Mr. President, every elected public official, whether local, county, or State who must furnish bonds, obtains the bonds from the State bonding department. We have been so successful in this that some municipalities have not had to pay a premium for years. A fund of hundreds of thousands of dollars lies in the Bank of North Dakota to be used if needed.

For 23 years these institutions have been a success and the United States Government has adopted a great many of the ideas originated by these farmers. The fact is we feel that the Democratic Party is greatly indebted to North Dakota since the laboratory work for the New Deal was being carried on there long before Franklin D. Roosevelt was even Governor of New York. Mr. President, what North Dakota has done is no more revolutionary than was the offering of that progressive platform to the Chicago Republican convention by Governor La Follette, of Wisconsin, 40 years ago.

I have ventured into this discussion today because I believe that from now on the common people are going to rule the United States of America. I believe they will follow a man whom they trust into any party and also that they will promptly leave him when they no longer find him worthy. I believe the time has come in America when the common people are no longer going to be frightened by the kept press or by smooth voices over the radio. I believe the time is here when the common people will no longer tolerate having their families deprived of the common decencies of life. I believe more and more farmers and laboring men will demand and obtain equal educational opportunities for their children.

As I now view the situation, unless the farmer of the Northwest receives adequate attention, the result after this war is ended is going to be just what it was after the last World War, when thousands upon thousands of farmers lost their homes. As I have already demonstrated in the early part of my remarks, the North Dakota farmer cannot exist unless he gets the cost of production plus a reasonable profit.

During the last World War North Dakota led every other State in voluntary enlistments in the Army and the Navy, and, per capita, more North Dakota boys lie buried in France as a result of the

First World War than boys from any other State in the Union.

Mr. President, I wish to conclude my remarks by reading a letter which I received today, written by a North Dakota farmer, a man whom I do not have the honor of knowing personally. The letter is short, and, in my judgment, shows that this farmer there upon the prairies senses exactly the problem we are face to face with here in the Senate. It is from Underwood, N. Dak., dated September 23, 1942, as follows:

Senator WILLIAM LANGER,

Washington, D. C.

DEAR SIR: I am very much surprised to hear that the President wants to freeze prices on farm produce. I think farm produce is not too high. It is not high enough. For 6 or 7 years we farmers have had very poor crops, and prices were low enough, too. We got into debt and had unpaid taxes. And now that we are getting on our feet a little again to pay up our debts and repair and reshingle old buildings, and so forth, we are, as it seems, told we are making too much money. And prices for farm produce have to be checked. How foolish this is. We shall produce more meat and eggs and dairy produce and flax, and so forth. Now, isn't it a better way to let increased production control prices? And increased production will surely keep prices down. We farmers cannot raise these things at the present cost of repairs, machinery, and labor help. In 1918 wheat was \$2 to \$2.50 per bushel. Harvest help was no higher than now—\$5 per day. And binders could be bought for \$250 that are now \$325 to \$350, and repairs high. I think where the most cost of high living comes in, of which some consumers complain, is after the foods are processed and sold by retailers. A pound of wheat sold by the farmer brings barely 2 cents. Turned into breakfast food it costs from 18 to 25 cents a pound. Likewise many other articles—vegetables, meats, and so forth, too much canned stuff bought. Why complain about farmers getting rich? Wheat, oats, rye, barley, and so forth, are still very low in price, and meat and poultry is not too high. In 1918 cream was 60 to 65 cents per pound. Now we get only 40 cents. Now, I hope you, as our Senator, will vote and talk against this unjust piece of legislation to be enacted against us farmers. We do not want to make money out of this war, but want to have laws for us to make a somewhat decent living out of our labor. I have lived in North Dakota over 40 years and farmed on a 320-acre farm, and know the income and expenses of farmers.

Yours truly,

R. E. BUSCH.

Mr. President, I do not know that I have heard any Senator upon the floor of the Senate who more clearly or more concisely has told exactly what the farmer of the Northwest is up against, than this farmer who lives on a half section of land at Underwood, N. Dak.

I say I would be untrue to the farmers of the Northwest, I would be untrue to the farmers, the laboring men, and the small businessmen who sent me to the Senate in Washington to champion their cause, if I did not rise on the floor of the Senate and, with all the energy, all the eloquence, and all the ability at my command, bring to the attention of the Senate of the United States the gross inequalities under which the farmers of the Northwest are now existing.

Mr. BARKLEY obtained the floor.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Kentucky

if there is any hope of getting a vote on some of the pending questions before inflation entirely overtakes us.

Mr. BARKLEY. That is a categorical question to which I cannot give a categorical answer.

Mr. VANDENBERG. Could the Senator express a hope?

Mr. BARKLEY. I had hoped that we might not only dispose of the pending amendment, but of the joint resolution as well, today. It has been necessary to rearrange the prospect because of conditions prevailing within the body of the Senate itself. The debate has gone on now until it is 25 minutes to 5. While I do not think we should recess now, in view of the number of Senators who wish to speak, the difficulty is that I have no derrick by which I can jack Senators up on their feet after 4:30 and induce them to speak.

Does the Senator from North Dakota [Mr. NYE] wish to speak now?

Mr. NYE. I should much prefer not to go ahead at this hour.

Mr. BARKLEY. That is what I thought. That is not an unreasonable suggestion, but of course if we continue each day to recess at 4:30 because no Senators are willing to speak after that hour, either on the theory that there are not many Senators present to listen or that so many speeches have preceded theirs that they do not get the headlines in the morning newspapers, we would not get ahead to a vote.

I am not making that suggestion with reference to the distinguished Senator from North Dakota; but frequently that is the motive which actuates us in determining whether we will speak at 4:30 or some other late hour in the afternoon.

Mr. President, it is obvious that we cannot obtain a vote today. I hope we can have a vote tomorrow. Last Friday I announced that I wished to speak briefly at the session today as soon as the Senate convened. For reasons which were to me satisfactory, I yielded that position. I do not wish to speak at this time; but I wish to advise the Senate that I expect to seek the floor tomorrow as soon as the Senate convenes to say what I have to say on this subject.

Mr. NYE. Mr. President, I rise to suggest that I shall be quite happy to forego in favor of the Senator from Kentucky any privilege which might be mine, if a privilege accrues from having been scheduled to speak at this hour. I shall be glad to have him proceed when the Senate convenes tomorrow, and I am perfectly willing to follow him whenever he shall conclude his remarks.

Mr. BARKLEY. That is very generous of the Senator.

Mr. President, I would not undertake at this time to obtain an agreement as to when we shall vote tomorrow or to limit debate. However, I hope that tomorrow we can dispose not only of this amendment but the entire joint resolution. I take occasion to say that I have a feeling that the country is growing impatient that Congress does not act. The longer we delay a vote on this matter the more impatient the country will become.

When I speak on this measure I wish to discuss the question which was in-

volved in the President's message, revolving around the fixing of October 1 as a date on which or before which he hoped that legislation might be passed.

Therefore, under the circumstances, I suppose we shall have to take a recess. I wonder if it would be possible to agree to meet an hour earlier tomorrow. Would that be satisfactory to the Senator from Oregon?

Mr. McNARY. Mr. President, it had occurred to me earlier in the day that that might be the solution of the problem. There will be no committees in session tomorrow. Personally—I can speak only for myself—I should prefer to have the Senate meet at 11 o'clock.

Mr. BARKLEY. I always like to have the cooperation and approval of the Senator from Oregon. With that suggestion on his part, when the Senate finishes its business today I shall move that it take a recess until 11 o'clock a. m. tomorrow.

Mr. McNARY. That is quite agreeable to me.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MURDOCK in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations and a convention, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

By Mr. HATCH, from the Committee on Public Lands and Surveys:

William F. Jackson, of Oregon, to be register of the land office at The Dalles, Ore. (reappointment); and

Paul B. Witmer, of California, to be register of the land office at Los Angeles, Calif. (reappointment).

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Anthony J. Drexle Biddle, Jr., of Pennsylvania, now Ambassador Extraordinary and Plenipotentiary to Poland, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America near the Government of Yugoslavia now established in London.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Anthony J. Drexle Biddle, Jr., of Pennsylvania, now Ambassador Extraordinary and Plenipotentiary to Poland, to serve concurrently and without addi-

tional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America near the Government of Greece, now established in London.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Thomas L. Hughes to be consul general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of W. Garland Richardson to be consul.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

Mr. BARKLEY. I ask that the President be notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

That completes the calendar.

CONSULAR CONVENTION WITH MEXICO MADE PUBLIC

On motion of Mr. CONNALLY, and by unanimous consent, the injunction of secrecy was removed therefrom and the following convention was made public:

Executive D, Seventy-seventh Congress, second session, a convention between the United States of America and Mexico defining the duties, rights, privileges, exemptions, and immunities of consular officers of each country in the territory of the other country, signed at Mexico City on August 12, 1942:

CONSULAR CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE UNITED MEXICAN STATES

The President of the United States of America and the President of the United Mexican States, being desirous of defining the duties, rights, privileges, exemptions and immunities of consular officers of each country in the territory of the other country, have decided to conclude a convention for that purpose and have appointed as their plenipotentiaries:

The President of the United States of America:

George S. Messersmith, Ambassador Extraordinary and Plenipotentiary of the United States of America in Mexico, and

The President of the United Mexican States:

Ezequiel Padilla, Secretary of Foreign Relations;

Who, having communicated to each other their respective full powers, which were found to be in good and due form, have agreed upon the following Articles:

ARTICLE I

1. Each High Contracting Party agrees to receive from the other High Contracting Party, consular officers in those of its ports, places, and cities, where it may be convenient and which are open to consular representatives of any foreign States.

2. Consular officers of each High Contracting Party shall, after entering upon their duties, enjoy reciprocally in the territories of the other High Contracting Party all the rights, privileges, exemptions and immunities which are enjoyed by consular officers of the same grade of the most favored nation,

there being understood by consular officers Consuls General as well as Consuls and Vice Consuls who are not honorary. As official agents, such officers shall be entitled to the high consideration of all officials, national or local, with whom they have official intercourse in the State which receives them.

3. The Government of each High Contracting Party shall furnish free of charge the necessary exequatur of such consular officers of the other High Contracting Party as present a regular commission signed by the chief executive of the appointing State and under its great seal; and shall issue to a subordinate or substitute consular officer duly appointed by an accepted superior consular officer with the approbation of his Government, or by any other competent officer of his Government, such documents as according to the laws of the respective States shall be requisite for the exercise by the appointee of the consular function; provided in either case that the person applying for an exequatur or other document is found acceptable. On the exhibition of an exequatur, or other document in lieu thereof issued to a subordinate or substitute consular officer, such consular officer or such subordinate or substitute consular officer, as the case may be, shall be permitted to perform his duties and to enjoy the rights, privileges, exemptions and immunities granted by this Convention.

4. Upon the death, incapacity, or absence of a consular officer having no subordinate consular officer at his post, secretaries or chancellors, whose official character may previously have been made known to the Government of the State in the territory of which the consular function was exercised, may temporarily exercise the consular functions of the deceased or incapacitated or absent consular officer; and while so acting shall enjoy all the rights, privileges, exemptions and immunities that were granted to the consular officer.

5. A consular officer or a diplomatic officer of either High Contracting Party, a national of the State by which he is appointed and duly commissioned or accredited by such State, may, in the capital of the other State, have the rank also of a diplomatic officer or of a consular officer, as the case may be, provided that and for so long as permission for him to exercise such dual functions has been duly granted by the Government of the State in the territory of which he exercises his functions as a consular officer and to which he is accredited as a diplomatic officer, and provided further that in any such case the rank as a diplomatic officer shall be understood as being superior to and independent of the rank as a consular officer.

ARTICLE II

1. Consular officers, nationals of the State by which they are appointed, and not engaged in any private occupation for gain within the territory of the State in which they exercise their functions, shall be exempt from arrest in such territory except when charged with the commission of an act designated by local legislation as crime other than misdemeanor and subjecting the individual guilty thereof to punishment by imprisonment. Such officers shall be exempt from military billetings, and from service of any military or naval, administrative or police character whatsoever.

2. In criminal cases the attendance at court by a consular officer as a witness may be demanded by the plaintiff, the defendant, or the judge. The demand shall be made with all possible regard for the consular dignity and the duties of the office; and there shall be compliance on the part of the consular officer.

3. In civil, contentious-administrative and labor cases, consular officers shall be subject to the jurisdiction of the courts of the State which receives them. When the testimony of a consular officer who is a national of the

State which appoints him and who is not engaged in any private occupation for gain is taken in civil cases, it shall be taken orally or in writing at his residence or office and with due regard for his convenience. The officer should, however, voluntarily give his testimony at the opportune moment of the trial whenever it is possible to do so without serious interference with his official duties.

4. A consular officer shall not be required to testify in criminal, contentious-administrative, labor or civil cases, regarding acts performed by him in his official capacity.

ARTICLE III

1. Consular officers and employees in a consulate, nationals of the State by which they are appointed, and not engaged in any private occupation for gain within the territory of the State in which they exercise their functions, shall be exempt from all taxes, national, State, Provincial, and Municipal, including taxes on fees, wages or salaries received specifically in compensation for consular services, and they shall be exempt from all kinds of charges incident to the licensing, registration, use or circulation of vehicles. However, they shall not be exempt from taxes levied on account of the possession or ownership of immovable property situated within the territory of the State in which they exercise their functions or taxes levied against income derived from property of any kind situated within such territory or belonging thereto.

2. The exemptions provided in paragraph 1 of this Article shall apply equally to other officials who are duly appointed by one of the High Contracting Parties to exercise official functions in the territory of the other High Contracting Party, provided that such officials shall be nationals of the State appointing them and shall not be engaged in any private occupation for gain within the territory of the State in which they exercise their functions; and provided further that permission for them to exercise such official functions has been duly granted by the Government of the receiving State. The Government of the State appointing such officials shall communicate to the Government of the receiving State satisfactory evidence of the appointment and shall indicate the character of the services which will be performed by the officials to whom the exemptions are intended to apply.

ARTICLE IV

1. Each High Contracting Party agrees to permit the entry free of all duty of all furniture, equipment and supplies intended for official use in the consular offices of the other High Contracting Party, and to extend to such consular officers of the other High Contracting Party as are its nationals and to such members of their families and suites as are its nationals, the privilege of entry free of duty of their baggage and all other personal property whether accompanying the officer or his family or suite to his post or imported at any time during his incumbency thereof; provided, nevertheless, that there shall not be brought into the territories of either High Contracting Party any article, the importation of which is prohibited by the law of such High Contracting Party, until requirements in accordance with the appropriate law have been duly met.

2. The exemptions provided in paragraph 1 of this Article shall apply equally to other officials who are duly appointed by one of the High Contracting Parties to exercise official functions in the territory of the other High Contracting Party, provided that such officials shall be nationals of the State appointing them. The Government of the State appointing such officials shall communicate to the Government of the receiving State satisfactory evidence of the appointment and shall indicate the character

ered by him at a meeting of the American Committee for Increasing Indian Participation in the War, on September 28, 1942, which appears in the Appendix.]

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

Mr. BARKLEY obtained the floor.

Mr. HOLMAN. Mr. President—

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Oregon?

Mr. BARKLEY. I yield.

Mr. HOLMAN. Mr. President, to me "example is better than precept." The factual statement of a practical operator who speaks from the knowledge of successful experience in his activities is more convincing than the cogitations of learned savants or the theories of cloistered doctrinaires.

I have received a letter on the subject currently under discussion by the Senate from Mr. Harry L. Holmes, of Bear Creek Orchards, at Medford, Oreg., which I request unanimous consent to have printed in the body of the RECORD as a part of my remarks.

Mr. Holmes, by his initiative and enterprise, has done more to acquaint the world with the surpassing excellence of the resources of Oregon than has any other citizen unless it be my distinguished colleague, our senior Senator [Mr. McNARY].

I have also just received a telegram from Mr. Holmes, which I request be printed also as a part of my remarks.

The PRESIDING OFFICER (Mr. Downey in the chair). Is there objection?

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

SEPTEMBER 23, 1942.

Senator RUFUS C. HOLMAN,
Senate Office Building,

Washington, D. C.

MY DEAR SENATOR HOLMAN: If I have had one, I have had a hundred fruit growers tell me the same story—"I don't know how in the world we are going to be able to produce a crop next season and get it harvested."

And since this situation seems to be prevailing, not only in our district here around Medford, Oreg., but also up and down the coast and in many other agricultural sections of the country, I believe I should tell you what fruit growers and farmers are thinking about.

It is possible that the next crop, 1943, could be the shortest that this country has seen in many decades. And since agriculture is an essential industry and it is so necessary for all of us in it to produce not only for our own nationals but for lease-lend, I feel that you should know the questions that farmers are asking before they will attempt another crop.

It boils down to three essential things that a farmer wants to know about and they are these—

1. They want to know that the key men in their enterprises are not going to be drafted. It is simply impossible to operate a large farming or horticultural property without able, young, and experienced men. It just simply cannot be done with old men, women, and youngsters.

As an example, we own and operate 600 acres of orchard property—mostly peaches and pears. Many hundreds of tons of this

produce go into tin cans which in turn are purchased by the Government for our own soldier boys and for lend-lease. We simply must have capable men as foremen, subforemen, tractor drivers, and for other general supervisory work, including experienced office help.

And since some of these men are eligible for the draft and many of the younger men are being taken, we simply must be assured that our key men are going to be allowed to remain on the farms or orchards.

2. Then, with these relatively few experienced men, I am sure that we can raise a crop to the time of harvest. Then comes the big problem of proper picking and harvesting. Right now, as I write this letter, we are in the middle of picking season. We are employing about 400 people in our packing house and from 150 to 200 people in the fields—many of them are high school youngsters, a few are elderly people, and there are quite a few ladies, of course, mostly in the packing house and in the field.

But if 18-year-old boys are drafted, our crew would be decimated and we would lose probably a third of the people now working in the field and packing house.

So, we look upon the harvest a year from now with considerable doubt. The draft will continue, of course, taking able bodied men out of this small district, and in addition to that the 18- and 19-year-old boys, if taken out, would leave us with hardly anything to work with in the handling of the large fruit crop which must come off between certain date limits.

3. The last point that the farmer must be assured of is that he can raise a crop profitably. I don't mean by this that he should be assured of any great profit or that he should make any wartime bonanzas. But I do mean that after he has paid all of his costs including extremely high labor costs (now well over 100 percent over last year's rate) he must know that he can have enough left to make it a reasonably profitable venture.

Here is a typical example of what he is up against. A friend of mine that raises approximately 125,000 boxes figures that it will cost him around 70 cents per box to raise next year's crop up to picking time. That means that he will have expended around \$100,000. If he involves himself for that liability on promissory notes to banks or in using up his past year's accumulated surpluses, he must feel sure that he is at least going to get that amount back with some profit, otherwise he is certainly not going to take on the risk and would do only the minimum amount of work to keep his property in a healthy, growing condition. In other words, he might not try to grow any pears at all but merely try to get by by irrigating and doing what spraying is necessary to keep his trees from becoming infected with disease.

Therefore, ceiling prices must be tied to labor prices. And so, as our actual costs of operation increase, also should the ceiling prices on the products increase. Since labor is by far the largest part of our cost, it is only correct that ceiling prices be tied, as stated, to labor costs.

I know that I speak not only as the owner of 600 acres of orchards but I know I represent what is in the mind of many hundreds of growers right in this district. Indeed, I feel that this problem is so pressing and important that somebody from the Department of Agriculture should make a quick survey over the country to find out just what farmers and fruit growers are expecting to do for another year.

And what's going to happen if the farmers and fruit growers do not produce a full crop? Are they going to be accused of a sit-down strike? I am seriously very much con-

cerned about this situation, because I feel that if some definite assurances are not given farmers that they might be unjustly accused of just such a thing.

Here are a few examples, too, of what I know is happening in the dairy industry locally:

a. There has been a larger shipment of dairy cattle into the Portland stockyards than has been made in the last 10 years. These are dairy cows that are being sent up for beef because the farmers just haven't the help to handle the dairy herd.

b. A friend of mine near our own ranch here has around 40 head of good milking cows. He told me the other day that he was going to breed them to Hereford and raise beef instead of trying to maintain his dairy. This is on account of his difficulties in getting labor to milk and handle his dairy.

c. I could give you many instances of fruit growers who have expressed their intention of not trying to grow a crop this coming year because of the difficulties and restrictions involved.

Now, what, if any, are the solutions for these problems? Well, very briefly, I would suggest the following:

A. Do not take key men away from the agricultural industry by the draft. If agriculture is considered one of the essential industries to war, then leave the key men on the farms and orchards so that production can be continued. It is equally important to find some way to "fix" these men on their jobs on the farms or orchards. It is needless to say that many of them have already gone to the more remunerative war industries in nearby cities.

B. Make use of the Army in the helping of the harvest. It wouldn't take long, and relatively very few men in proportion with those in training would be needed to help, and it wouldn't interfere with the regular Army routine training of the soldiers to any great extent.

Right here in Medford we have Camp White with approximately 30,000 soldiers. Three or four hundred men only from this camp over about a 60-day period would solve our local difficulties. The important thing is, however, that farmers have to know before they start a crop—months before harvest—that such help is going to be available, otherwise, as stated previously in this letter, many of them will not attempt to produce a crop.

I assume that with hundreds and hundreds of camps all over the United States this Army help could be afforded to the other districts in other sections of the country in the same way that the help from Camp White, near Medford, could be afforded to the farmers and fruit growers in this district.

C. Fix ceiling prices for horticultural products with a definite tie-in with labor prices. You can readily understand that few are going to undertake to produce farm products under a fixed ceiling unless other prices are tied directly to the ceiling price. Of course, that brings in all sorts of other questions as to what the farm labor price should be and whether farm labor would migrate to more remunerative war industries. Obviously, farm labor must be fixed on the farm at a rate of wage based on some particular month or week just passed.

I am sure that I do not know what the political implications would be of the above situation. But I am sure that if farmers and fruit growers do not have some assurances on the three above-named points there will be a distinct food shortage in this country in another year.

Assuring you of my sincerity, and hoping this information might be of some use to you, I am,

Sincerely yours,

BEAR CREEK ORCHARDS,
HARRY L. HOLMES.

WASHINGTON, D. C., September 28, 1942.
 Mr. HARRY L. HOLMES,
*Care of Bear Creek Orchards,
 Medford, Oreg.*

I thank you for constructive thoughts contained in your letter 23d instant and concur therein. Kindly wire me permission to insert it in CONGRESSIONAL RECORD tomorrow.

RUFUS C. HOLMAN,
United States Senator.

MEDFORD, OREG., September 29, 1942.
 Senator RUFUS C. HOLMAN,
*Senate Office Building,
 Washington, D. C.*

Answering, "Yes; you may use my recent letter to you on farm problem for CONGRESSIONAL RECORD." Another important angle just developed today when local banker told me would not finance future fruit production unless he had some assurance that labor would be available to produce and harvest also. It is possible to produce at something over cost of production. Right now, today, average of orchard harvest help about dollar an hour. What would you Senators do if you owned a farm or orchard in producing a crop for 1943? Don't accuse farmers or fruit growers of sit-down strike next year when they can neither get sufficient labor nor pay available laborer even present prices under old formula of parity. From the owner of 600 acres of orchards.

HARRY L. HOLMES,
Bear Creek Orchards.

Mr. BARKLEY. Mr. President, if I need an excuse for taking the time of the Senate at this hour, it is the hope that I may make some contribution to the clarification of the issue before us, as well as the situation which brings it about. Before beginning what I have to say, I wish to express the hope, as well as to advise the Senate, that we may remain in session today until we have concluded the consideration not only of the pending amendment but of the joint resolution as well. I hope that Senators will make their arrangements accordingly.

I believe, Mr. President, that not only is the country impatient for action upon the controversy before us but the Senate and the Congress and the whole legislative process are undergoing a test which I hope will be terminated in a fashion which will justify and vindicate the legislative process.

In order that I may not delay longer than is absolutely necessary a vote upon the pending question, I ask the Senate to indulge me without interruption until I shall have concluded what I wish to say. If at that time Senators wish to ask me any questions, I shall be glad to answer them, if I can.

Question has been raised, Mr. President, as to the meaning of the President's message as it was presented to us on the 7th of this month. Comment has appeared in the press and upon the floors of the two Houses, as well as in conversation, regarding the President's time limit, so-called, by which I mean his urgent request that we act not later than the 1st of October, which will fall on next Thursday. I think it might be well to call the attention of the Senate, as well as of the people throughout the country, to the fact that on the 27th day of April, in a message which I have before me, the President of the United States not only asked but urged that

Congress do what we are now attempting to do. In that message the President set out seven points that were essential in the control of prices and the curbing of inflation, which has become a sort of hackneyed word, but which, of course, we all understand to mean the unregulated and uncontrolled increase in the prices people must pay for what they have to buy.

Five of those points required no legislation. Two of them required legislation, and in neither of those two instances requiring legislation has Congress acted since the 27th day of April. One of those legislative requirements was the passage of a tax bill. The other legislative requirement was a modification of the 110-percent parity requirement in the Price Control Act, or the other minimum requirements with which we are all familiar—prices in October and prices in December 1941, and the average price for the period July 1, 1919, to June 30, 1929, whichever might be the highest.

I think I may say in justification of the taxing committees of the two Houses, the Ways and Means Committee of the House of Representatives and the Finance Committee of the Senate, that they have worked diligently; they have worked long hours; they have given the most painstaking consideration of the tax bill, which has already passed the House, and which we hope to be able to take up in the Senate next Monday. That bill will soon be on its way. No doubt it is an imperfect bill. No doubt it is an inadequate bill. All the Committee on Finance can do is to report it to the Senate, and then it is for the Senate to determine whether the work of the committee shall be approved, amended, or supplemented by other provisions which may go into the bill before the President is required to affix his signature or to disapprove it, as the case may be. So that that one legislative requirement, while long delayed—delayed longer than any of us anticipated or desired—will soon be on its way to consummation. Now we have before us the second legislative requirement requested by the President on April 27.

Mr. President, I think it is not unfair to say that his recommendations on that day with respect to the modification of section 3 of the Price Control Act were taken by the two Houses of Congress rather casually. They must have been taken casually, because neither House initiated any movement to carry out his recommendations of last April until it became necessary for him to come to Congress with another message on the 7th day of September.

Mr. President, I shall not now enter upon a discussion of the President's power to act. The Senator from Michigan [Mr. BROWN] the other day in his very excellent speech, it seems to me, covered that point completely and fully. But I do wish to give a brief outline of the history of what has gone on in the last few weeks or months that brings us to the present juncture. I violate no confidence when I say that numerous conferences have taken place with the President of the United States since last April, beginning in June and extending

through July and up almost to the very delivery of his message on the 7th day of September. I presume I would violate no confidence if I should state that nearly 3 months ago the President of the United States had it in mind again to call our attention to the need for further legislation modifying the requirements of the Price Control Act, not only with reference to agricultural products but also with reference to wages and salaries.

The House of Representatives had completed the tax bill. Many Members desired a brief surcease from their labors, and an informal recess had been arranged. When it was contemplated by the President as early as July to forward to Congress a message dealing with agriculture and labor, there were those who advised him that he had the power to act without submitting the proposition to the legislative branch of the Government. Some of those were in this body, some were in the other body, some were in neither body, but I was not one of those who gave him such advice, because I felt then, as I have felt every moment since, and as I now feel, that even though he had the power to do it, under the advice of his legal adviser, and under his war powers as President, under the second War Powers Act which we ourselves enacted following the enactment of the Price Control Act—even if he had the power to do it, I believed then and I now believe it was better that it be submitted to the Congress.

Mr. President, of course we all realize that if the President had proceeded to act by an Executive order his action might have received criticism, the repercussions might for a time have been unfavorable; but the people of the United States have never yet denied their President, the Commander in Chief of their Army and Navy, support in the exercise of whatever powers he may have in the conduct of a war, and I recall no case in which the Supreme Court has not sustained such powers, even though the Court did not do so until the war had ended and the question became academic insofar as its decision was concerned.

Mr. President, I urged that this question be submitted to the Congress. I do not know to what extent any advice of mine had weight; but mine was not the only voice raised in behalf of the preservation of the legislative process. I might say that Mr. Leon Henderson, who is the Price Administrator and against whose actions we hear criticism now and then as to particular details of administration, took the same position. He urged constantly and consistently that, admitting that the President had the power, the Congress ought to be asked to undo its own act insofar as it was necessary, not only to do the required thing, but to preserve the harmony and accord and comity which ought to exist between the legislative and executive branches of our Government.

Be that as it may, the President has submitted it to us in his message on the 7th of September. Complaint was made at the time, and has been made since, that by that act, by that message, and by the suggestion of the date, he has put a pistol into our faces and drawn a dead-

line, so that we must act on that date or he would exercise powers which he was advised he possessed.

Mr. President, the fixing of October 1 was not equivalent to holding a pistol at the heads of Members of Congress. As I have already said, he had asked Congress to do this on the 27th of April. We had not done it, and the President took his position, based upon his own knowledge of the situation, which borders on the miraculous. No man can discuss any problem affecting our war economy, our agricultural or labor or industrial economy, with the President of the United States, without realizing that he has a wealth of knowledge upon all these subjects which is almost miraculous, in view of the wide field in which his mind has to range in contemplation of this world-wide conflict. His attitude was and has been all the time, and is now, that he could not beyond the 1st day of October control prices or keep the spiral from rising unless either he or Congress took action. I believe that his position in that regard has been justified by the fact that since the war started in 1939 the average cost of living has gone up 19 percent; the cost of food has gone up more than 25 percent; and the cost of clothing has gone up between 25 and 30 percent. Food and clothing constitute 45 percent of the budget of the ordinary household in the United States.

His position is justified by the fact that since the middle of August, only 3 weeks before he sent to Congress his message of September 7, the cost of living has gone up at the rate of about 1½ percent a month. So the President was not holding a pistol at the head of Congress. He was suggesting a date beyond which the spiral could not be held down unless Congress, or he, or both together, should take action. That is all that the 1st of October meant.

Mr. President, I believe in the legislative process. I believe in the validity of that process. I believe that it is more essential and vital to preserve it now than it has ever been in the history of democracy, because that process has been practically abolished all over the world, except in the United States, some of our neighboring countries to the north and south, and in the Parliament of Great Britain. Today on the continent of Europe there is not a nation in which there is any parliamentary government; and unless the forces and the hordes of Hitlerism and all that they represent are defeated and hurled back, there will never again be any such thing as parliamentary government on the continent of Europe. If the Japanese juggernaut is successful in Asia and the Japanese are able to conquer China, India, and all the rest of Asia, and the islands of the Pacific, the legislative process there will be a matter of history. It will be abolished.

So it is essential that we preserve the legislative process in this country, so that by our preservation of it, when this war shall have concluded and the forces of democracy shall be triumphant, we shall not only have preserved it here, but shall have helped to preserve it around the world, in order that those who are required to support government with their

money and with their blood may have a voice in that government.

Mr. President, the question now before the Senate is not whether some "I" shall be dotted or some "it" shall be crossed by the pen of any individual Senator. The question which confronts the Senate today is whether we ourselves will justify the legislative process by acting in an adequate manner and in time. The President has requested and urged us to restore the original concept of the thing about which we are talking, as it affects agriculture; and I believe that the country expects us to do so.

I refer to parity. I realize that parity, like inflation, has become a hackneyed word. Millions and millions of people in this country do not understand what it means. They live on the farms no less than in the cities. Of course, I would exclude the Senate of the United States from that all-inclusive lack of understanding; but I think it might be well to refresh our minds about parity, how it came to be, and how it got into the law.

I am now speaking as a member of the farm bloc. In my 29 years in the House and Senate I have, to the extent of my ability, voted for and helped to pass legislation in the interest of the American farmer. I came to the House of Representatives when I was little more than a boy, advocating farm legislation. Many years ago—so long ago that my constituents have forgotten it—I introduced into the House measures intended, at least in my immature mind, to help the farmers of the United States.

I know the problems of the farmer. I was reared on a farm. My father was a farmer all his life. I have worked as a hired hand in the fields, beginning at sun-up and going until sundown, stopping long enough at noon to eat a cold lunch out of a tin bucket. For that work I received 50 cents a day.

When the wheat threshing season came along I worked from sunup to sundown, until the shadows settled over the earth, pitching wheat to the wagons, loading it on the scaffold, cutting the binds, feeding the thrasher, and stacking the straw. I slept out under the canopy of a straw pile which I had helped to erect during the day. For that work I received \$1 a day.

From time immemorial, no class of people in this United States has been more unfortunate than the hired hands on farms. Their lot is a little better now than it was when I made 50 cents or a dollar a day, but by comparison it is not much better.

I voted for the McNary-Haugen bill in the House of Representatives. I have no apologies to make for it. I followed the distinguished chairman of the Committee on Agriculture in the House, Mr. Haugen, in voting for the McNary-Haugen bill. I voted for the Farm Board bill, passed in the Hoover administration. I was trying to bring about legislation which would help the farmer. We were groping in the dark then, as we all know.

I do not want to mention partisan politics or political parties, because the question which is before us today is not

a partisan question. Partisan politics has no place in it. However, when the Roosevelt administration came into power in 1933 it was pledged to legislation in behalf of agriculture. For a quarter of a century both political parties in their platforms had promised the American farmer to put him on a parity or equality economically with industry and with the other sections of our population.

When I was a boy in knee pants I used to hear politicians talk about parity as between gold and silver. The first time I ever heard of the word "parity" was in 1896, when I sneaked off from school one day to hear the Democratic candidate for Congress make a speech in the court house on the question of free and unlimited coinage of silver at a ratio of 16 to 1. He took up a good deal of his time talking about the parity between gold and silver, by which he undertook to explain that he meant the relationship between the purchasing power of silver and that of gold, at a certain rate. That was the preservation of the parity relationship, so that silver would have as much purchasing power, based upon the formula, as gold had. That is really what we are talking about with regard to agricultural parity.

When we came to write the Agricultural Adjustment Act of 1933, and later in 1938, we had to consider what sort of legislation would do the work for the farmer which had been promised to him by both political parties and by almost all candidates. We could not write prices into the bill. We could not go into details as to what prices should prevail for cotton, tobacco, corn, wheat, hogs, cattle, or anything else. We took into our councils the farmers of the Nation. We asked the Secretary of Agriculture and his force, as well as the organizations which speak for the farmers, or claim to speak for them—and rightly so, so far as organizations may speak for farmers—to sit down with the legislative draftsmen, the committees, and representatives of the executive departments, and write a formula.

We asked the farmers themselves what their ideas were. They said, "We want to pick out a period which will be fairly representative as between agriculture and industry and other classes of our people. We want to find a period in which the relationship between the prices of the products the farmer sells and the prices of the articles he has to buy, the relationship between his income and his outgo, will be as fairly representative as in any other period in recent American history."

They themselves chose the base period which now is written into the law—the period 1909 to 1914. They chose that period because in their opinion—and in our opinion—it was a period in which the farmer was fairly prosperous. It was a period in which the relationship between farm prices and prices which the farmer had to pay for what he bought was as fairly representative as in any period which could be found in recent history. Because of that, because it was their desire and their recommendation and their feeling, and because our feeling coincided with their feeling, the period 1909 to 1914

became the base period which was written into the law.

Following 1914, World War No. 1 came. We call it World War No. 1; but by comparison with the present one it was not a world war at all. It is true that many nations throughout the world were technically at war; but in that war all the fighting took place in Europe; and following the Russian revolution in 1917, practically all the fighting took place in France, and some of it in Belgium. In that World War we spent approximately \$31,000,000,000. In the present World War we have already appropriated over \$200,000,000,000, and we have been at war only a little more than 9 months—nearly 10 months.

When the first World War came on, farm prices began to go up. Wheat went as high as \$2.56 a bushel, hogs went as high as 19 or 20 cents a pound, and other things in proportion. Many of our people saw what they thought was a limpid pool of water; they believed that never again would there come a time when prices would go down. Many of them sold the little farms on which they had been satisfied all their lives, and bought big ones, and made down payments on the big ones with the money they received from the sale of the little ones.

Then the war ended; and in 1921 and 1922 there was a depression. During that depression agriculture shared with industry; but, strange to say, industry recovered, and continued to recover until 1929, when the collapse came; but all during the period when industry was recovering, following World War No. 1, agriculture was not recovering. Of course, that meant that when the crash came in 1929 and 1930, agriculture did not have to go down quite so fast or quite so far as industry had to go. Therefore, that period would not have been a fair base period upon which to figure agricultural prices. A parity based upon that period would not have been a real parity.

So when 1932 came, and the income of American farmers declined to less than \$4,000,000,000 a year, we had to write a law to try to take care of the situation. We counseled with the agricultural interests in order to determine what period would be the most representative and the fairest. All of them found that it was the period 1909 to 1914. I think the time may come—yea, I think I should say that it will come—when we may have to revise; we may get too far away from 1909–14 to cling to that forever. We may have to revise our farm parity; we may have to recalculate it. In the near future we may have again to take into consideration changes which have occurred since 1914. However, that would require time, research, and careful investigation. In my judgment, that could not be done wisely in a joint resolution such as the one which we have before us today.

So both in the Agricultural Adjustment Act of 1933 and that of 1938, following the Supreme Court decision, we fixed the period 1909–14 as the base period.

In the meantime we had provided for 85-percent loans on farm products for those farmers who cooperated with the Government. In 1941 and 1942 we came to consider a price-control bill. When that bill was first considered in the private conferences which took place among those who drafted it, the first proposition was to guarantee parity—not actually guarantee it, because the Government cannot guarantee that any farmer will get parity for his crop unless the Government itself is willing to buy it or to boost the price in some artificial way so that the farmer will receive parity for his crop. What we undertook to do by the price-control bill was to guarantee that in the fixing of prices the Government of the United States would not step in and interfere with the laws of nature or the law of supply and demand until any given crop had reached 100 percent of parity, or had reached parity. So we undertook, not to fix a ceiling on agricultural products, but to fix a floor. That is what it was.

When we said, "Nothing can be done to the prices of agricultural products until they reach parity," we meant that parity was a floor, and that those who were charged with the regulation of farm prices might let those prices go as high above parity as they wished, but they might not make them go below parity or fix any maximum below parity.

As the matter went along, the friends of the farmer, of whom I have always been one—I belong to the farm bloc, but I suppose I must have been turned out of church, because I do not get invited to the farm-bloc conferences; but I worked for the farmers harder than did many persons who talk more than they work. I am not referring to the senior Senator from Oklahoma [Mr. THOMAS] or the senior Senator from South Carolina [Mr. SMITH], both of whom have worked adequately, of course.

As I started to say, as the matter went along, the friends of the farmers said: "We are not satisfied with 100 percent. We want 110 percent, because what we really want is an average of 100 percent."

The term "average" when used in that way is misleading; because there cannot be any such thing as an average of 100 percent unless the prices of many things are to be more than 100 percent, and the prices of many other things less than 100 percent. It is impossible to obtain an average of anything without considering the top as well as the bottom. I think what the friends of the farmer had in mind was that for all products of the farm there would be an average of 100 percent; but it is impossible to consider an average in fixing the prices of all products. We must deal with cotton as cotton. We cannot deal with tobacco, and say, "As for cotton, we have fixed an average of 100 percent for the man who raises cotton and tobacco." We cannot fix a price of 100 percent on cotton alone; because when we put a ceiling on the price of cotton we fix the price of cotton in the hands of the grower, subject to being sold on the market. So the term

"average of 100 percent" really is misleading.

We wrote into the bill the provision for 110 percent of parity, and we put in the bill many other things which made 100 percent of parity the minimum, because in other parts of the bill—those as to prices on October 1 or December 15, or in any other period between 1936 and 1939, or all three, I believe—we had the alternative provision that whichever might be the highest of those prices should be the floor below which the Price Administrator should not touch the prices of farm products. So instead of averaging 100 percent of parity, or even 110 percent of parity, it turns out that it averages about 116 percent of parity.

I do not contend that the entire blame for the increase in the cost of living is due to the increase in the prices of farm products because such a claim would not be true. If we consider the figures prepared by the Bureau of Agricultural Economics for the period 1910 to date, we find that, no matter whether prices were low or high, during that period the farmer received on the average approximately 52 percent of the money his products brought when sold to the ultimate consumers, which means that 48 percent of the money went to transportation, to manufacturing processes, to distribution, and to clerk hire in grocery stores, drug stores, clothing stores, and in shoe stores, or wherever any agricultural product which has been processed into a finished product is sold to the ultimate retail consumer.

Ever since I could remember men have sought to organize farmers into agricultural organizations; indeed, I was one of them. Years and years ago, before I ever came to the Congress, I was making speeches in my section of the country in behalf of organizations of farmers, such as the Dark Fired Tobacco Association, the Burley Tobacco Association. I made speeches in my State long before I ever came to Congress in behalf of the Farmers' Union, which is now strong in some sections of the Corn Belt which in my State has been somewhat superseded by the Farm Bureau Federation, which I have always considered and now consider to be probably the most effective farm organization which has ever existed in the United States. I am a member of it and belong to it because I own and live on a little farm and I am helping to pay rent on another one.

We always thought and said that the middleman, as we call him, was getting too much, and I still think that he gets too much, but we cannot do anything about that in this joint resolution, and I am not certain that we can do anything about it by any form of legislation, because there are so many elements and equations that enter into the 48 percent that others get after the farmer gets his 52 percent, that it is not easy by legislation to guarantee that the 48 percent will not still go to others. Therefore, I say that the prices of farm

products are not to blame for the entire increase in the prices of food and clothing and other necessities of life. I presume, however, it would not be unfair to state that if the farmer gets 52 percent of the price of his crop he would also get 52 percent of any increase which the consumer would finally pay, and such increase as may have occurred or may occur in the prices of farm products will be responsible for 52 percent of the increase in the cost of living. So we cannot deny that equation, for it does form a part of the picture.

Mr. President, we are quarreling among ourselves here as to whether the minimum 110 percent, which the President asked us to reduce to 100 percent, shall actually be raised to 112½ percent. That is what we are debating, and that is what the amendment of the Senator from Oklahoma would do; he has stated himself that that is what it would do. I ask, in all earnestness and good faith, in the midst of the greatest crisis that our Nation has ever faced, and that the world has ever faced, whether when the President asks us to go back to parity from 110 percent, we are prepared to face our country, face our people, face humanity, face our soldiers, sailors, and marines with an actual increase up to 112½ percent. That is the issue that confronts the Senate of the United States today.

I do not desire to take undue time quoting figures, but I have before me a table prepared by the Department of Agriculture showing the indexes of prices received and paid by farmers from 1910 to 1942. Beginning with 1910, the index of what the farmer received in relationship to what he paid was as 102 to 96; taking the period from 1909 to 1914 as a basis equal to 100, in 1910 his index was 102 for what he received and 96 for what he paid. That index fluctuates in every year. The following year, 1911, the farmer's index of what he received was 95, as compared to 100 for what he paid. During the World War No. 1 the farmer's index went up in 1916 to 118; in 1917 it went to 175; in 1918 it went to 202; in 1919 it went to 213; and while it was going up to 213 the index of what he paid went from 96 to 174 in 1919, to 200 in 1920, and to 206 in 1926. It dropped then to 165, and, going along until 1932, the index of what the farmer received was 66 and what he paid was 127. It has fluctuated again, so that now the index of what the farmer receives, as of 100 percent in the base period from 1909 to 1914, has gone up to 163, while the index of what he pays has gone to 152. Those figures are for August of the present year. In other words, the index of what the farmer is receiving above the 100 percent of parity, or of the par, based on the base period, is now 163, and the index of what he buys is 152; so that now his over-all index is 111. That is an interesting development over a period of 32 years. I ask that this table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PARITY PRICES FOR SOME LEADING FARM COMMODITIES

	Corn, per bushel	Cotton, per pound	Wheat, per bushel	Hogs, per hundredweight	Beef cattle per hundredweight	Butterfat, per pound
August 1939.....	79.6	15.4	\$1.096	\$9.01	\$6.72	32.6
1939.....	80.2	15.5	1.105	9.09	6.78	32.9
1940.....	80.9	15.6	1.114	9.16	6.83	33.1
1941.....	86.0	16.6	1.185	9.74	7.20	35.2
1942.....	97.6	18.8	1.344	11.05	8.24	40.0

ACTUAL PRICES FOR SOME LEADING FARM PRODUCTS

	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.
August 1939.....	45.7	8.70	\$0.545	\$7.81	\$6.74	22.4
1942.....	83.4	18.03	.954	14.13	11.30	40.6

Cash farm income from sales:
1939—\$7,900,000,000 (about \$1,000,000,000, laborers bill).
1942—over \$14,500,000,000 (about \$1,500,000,000).
Cash farm income, including Government payments:
1939—\$8,700,000,000.
1942—\$15,100,000,000 or over.
Net farm income from all agricultural sources:
1939—\$5,200,000,000. National income.
1942—over \$10,600,000,000. National income.
Net nonfarm income:
1939—\$65,500,000,000. National income.
1942—\$102,100,000,000. National income.

Mr. BARKLEY. Mr. President, as I said awhile ago, the farmers did not desire that in the consideration of the question of parity farm labor be considered; they threw that out the window, because if they had included farm labor in their index for the period from 1909 to 1914 it would have dragged down farm prices. When the question was submitted to those who spoke for the farmers' organizations they rejected farm labor as an element in fixing parity; and as late as last year, 1941, the Farm Bureau Federation rejected that idea as a part of the parity formula. The reason why it was rejected was a perfectly normal, a perfectly human, and a perfectly logical reason. They desired parity to be based upon the prices of farm products as compared to the prices of things they had to buy. They did not want the prices of farm products dragged down by computing the cost of farm labor, which was low and has always been low and is low now compared to the cost of industrial labor.

Mr. President, I should like to point out very briefly what has happened. The question of farm labor will not be solved by either the Thomas amendment or by the amendment which we have offered as a substitute for it. Neither of them will put another hand on the farm, or keep one there who is there now, because the farmers cannot pay wages as high as those paid in industry, and there is no way in the world that I know of to keep a farm boy from leaving the farm and going into the city and getting higher wages if he desires to go; and considering the low wages some of the hired hands with whom I am acquainted have been receiving all their lives, I cannot much blame them for leaving the farm if they get an opportunity to make a little more in some industrial plant.

The draft, as it is being administered, and as it must be administered under the

law, is now making a serious drain upon farm labor and upon agriculture. We all know that, and when we combine that drain with the loss of laborers because of the higher wages paid by industry, it is not strange that farms are being depleted of their labor. But we cannot remedy that situation by fixing prices, because the farmer cannot receive prices high enough to enable him to compete with industrial labor, since if he did then prices would have to go still higher and higher, and that would affect not only laboring men who enjoy the right of collective bargaining, which is largely true of organized labor, but it would affect 38,600,000 wage earners in this country who belong to no labor organizations, and who, by and large, have received no increases in their wages and their salaries, notwithstanding the fact that the cost of living has increased for them 19 or 20 percent.

Mr. President, in 1939 the parity price of corn was 79.6 cents a bushel. In 1940 it was 80.9 cents, in 1941 it was 86, and in August of this year it was 97.6 cents.

In August 1939 the parity price of cotton was 15.4 cents. In August 1942 it was 18.8 cents.

The parity price for wheat in 1939 was \$1.09. In 1942 it is \$1.34.

The parity price of hogs in 1939 was \$9.01 a hundred. In August 1942 it was \$11.05.

The parity price of beef cattle in August 1939 was \$6.72 a hundred. In August 1942 the parity price of beef cattle was \$8.24.

The actual price received for corn in 1939, when the parity price was 79 cents, was 45.7 cents; but in August of this year the actual price received for corn was 83.4 cents. That does not, of course, include any Government benefits.

The actual price received for cotton in 1939 was 8.7 cents a pound. The actual price received in 1942 was 18.03 cents a pound.

The actual price received for wheat at the farm in 1939 was 54.5 cents a bushel. In August 1942 it was 95.4 cents a bushel.

The price received for hogs in 1939 was \$7.81 a hundred. In August of this year they were bringing \$14, nearly twice as much as in 1939.

Beef cattle at the farm in 1939 were bringing \$6.74 a hundred. In August of this year they were bringing \$11.30.

In 1939 butter fats at the farm brought 22.4 cents a pound, but in August 1942 they brought 40.6 cents a pound.

These figures show that as industrial prices rose and as what the farmer had to buy went up in 1939, 1940, 1941, and 1942, parity went up likewise, the prices received at the farm rose, and increases in labor costs were automatically calculated.

How much of the increased labor cost can these prices absorb without adding the labor cost as a part of the parity formula and concept?

The receipts from cash sales of all farm products in 1939 amounted to \$7,900,000,000. The entire labor bill paid out by farmers in 1939, when they received \$7,900,000,000 for their crops, was

\$1,000,000,000, about 12 percent of their receipts.

In 1942 the cash received from sales of farm products was \$14,500,000,000, and the labor cost in their production was \$1,500,000,000. These figures were brought up to date by the Department of Agriculture, through its Bureau of Agricultural Economics, as late as yesterday, so they are the newest figures on the subject. In other words, in 1939, when the farmers received \$7,900,000,000, they paid out \$1,000,000,000 for labor, but this year, when they receive \$14,500,000,000, they pay out a billion and a half. They paid for labor during this year \$500,000,000 more than they paid in 1939, and they received \$6,500,000,000 more than they received for their crops in 1939. That does not include Government payments and benefits. I will later give the figures of the Government payments.

The \$7,900,000,000 of which I have spoken was the gross income. The net farm income in 1939 was \$5,200,000,000. For 1942 it is \$10,600,000,000, or more than twice the net income received in 1939. In 1939 the net income for all people other than farmers was \$65,800,000,000. This year it is about \$102,000,000,000. So the net income of agriculture since 1939, in proportion and by percentage, has risen a larger percentage than the income of the entire American people from nonfarm sources. These figures do not include cash receipts by farmers who, during the off seasons, work elsewhere than on the farm.

The point, Mr. President, it seems to me, is that the increase of \$500,000,000 in the cost of farm labor in 1942, compared with the increase in farm revenue for the same period, has not been sufficient to make it impossible for agriculture to absorb the increase in its own wages.

Do we need legislation to curb inflation? We are trying to curb it, in a way, in the tax bill, but our steps are halting and feeble. We may have to come in after the first of the year with another bill of some kind, either providing for more taxes or some form of forced savings among the people of the United States, in order that we may withdraw from the field of expenditure about \$35,000,000,000 of excess purchasing power.

How does that come about? The income of the American people this year will be between \$20,000,000,000 and \$25,000,000,000 greater than it was last year, so that they will have about \$20,000,000,000 or \$25,000,000,000 more to spend than they had last year. Let us say it is \$20,000,000,000. A vast quantity of goods which they have been in the habit of buying is no longer on the market, and therefore cannot be purchased. It has been estimated by economists and statisticians that the amount of money which the people of the United States will have, which they have ordinarily been spending for things they now cannot buy, will add another \$15,000,000,000, so that next year, taking into consideration the increase in income, and the lack of goods to buy, though we have more money with which to buy, there will be about \$35,000,000,000 of excess spending power, which must be curbed in some way, because if a man is making money and he cannot buy

an automobile, a radio, a refrigerator, or something of that kind, he will go out cruising around the markets to find what he can buy with the money he has.

Mr. President, it seems to me that in the consideration of this great problem we are losing sight of the real issue which faces us. I do not know to what extent any other Senator here, or all of us together, are fixing our eyes on an election. I think it is unfortunate that there has to be an election this year. There is not any way of avoiding it, and I would not avoid it by anything that could be done by way of law or constitutional amendment, but it is unfortunate that we have to even think about an election. We are all human. Artemus Ward, the great American humorist, once remarked that one man has as much human nature in him as another, if not more, and that is as true of the Members of the Senate of the United States as it is of anyone else. However, Mr. President, the boys on Bataan were not thinking of an election. The boys in the jungles of the Solomon Islands are not thinking of an election. The boys who are sailing across two oceans to all the islands of the sea have not been thinking of an election, and will not be thinking of one when they go up against cold steel.

We have not yet begun to hear the real news of our own casualties. We hear much about a second front, and I can understand the impatience of the Russian people, and, it may be, their lack of understanding as to why we have not started one. My position with respect to that matter is this: We are all impatient, we are all anxious for a second front, but the decision as to when and where it shall be cannot be made by politicians. It must be made by our naval and Army officers. They will know when we are ready, and where we are ready, and I am not willing to attribute to them any less anxiety or any less impatience than we ourselves feel in regard to a second front somewhere and as soon as possible.

Mr. President, we have been reading and hearing over the radio about the house-to-house fighting in Stalingrad, where men with bayonets in the ends of their rifles, from under kitchen tables, in cellars, on roofs, in second-story rooms, in first-story rooms, on staircases, have been driving the enemy back, and we have admired their courage and have been thrilled at their exploits. No one knows how soon our own men will be fighting in the same way, in the streets of some city or village. They have already done it on Bataan. They have already done it in the Solomons, and on Wake Island, and in New Guinea, and in China. They may be doing it in Egypt. Before the war is over they may be fighting yard by yard, and foot by foot, and step by step, and porch by porch, and room by room, in France, or in Germany, or in Tokyo—no one knows.

Mr. President, we have sent these men to the battlefields of the world, knowing that they must face the cannon and the dive bomber, knowing that they may be required to go up against the cold steel of a bayonet—and I have always felt that a bayonet thrust—to have a bayonet jabbed into your breast, or into your stomach,

or into your throat—was the most cruel and brutal of all forms of warfare. If that is required of these men who are fighting a real world war now, if we expect them to do it without quivering or without quailing, how miserable and how cheap we must appear to them if we are afraid to look down the barrel of a political popgun here on the home front.

We must have a home front. We must maintain a home front. Wars are not being fought now by soldiers and sailors and marines alone. Wars are being fought by peoples; and every farmer in the Nation, every mechanic, every plumber, every professional man, every housewife, every Senator, every Representative, every Governor, every member of a legislature, every county judge, every magistrate and constable—all our people are soldiers now, whether they are dressed in uniform or in the garb of the civilian. Therefore we must not quarrel on this home front, nor haggle over legal technicalities, or over profits made by any group.

The farmers complained because in the Price Control Act we did not fix a ceiling on wages, but that was thrashed out at the time. It is water which has already gone over the dam, and, admitting for the sake of the argument that we were wrong about it, this is the only measure that has been before us or that will be before us in time for action to be taken which puts agriculture and labor on an equality.

In it the President has given the same authority with respect to both—not only the same authority, but the same direction—because this is a compulsion. He is not only authorized but he is directed to regulate both. That direction is not against his wishes, I may add by way of parenthesis. This is the only opportunity we have to regulate labor in the same law by which we regulate prices.

I am willing to trust the President of the United States to deal fairly with everyone. While we have talked about increases in wages and salaries, Senators know that among the 50,000,000 wage earners and salary earners in the United States between one-fourth and one-third of them are still drawing less than \$30 a week. About one-third are still drawing less than \$30 and that goes all the way down to \$10 a week. That includes those who draw \$10 or \$15 or \$24 a week. Those who have not received any increases in the low brackets still pay the 19 percent increase in the cost of their living.

I am not afraid to trust the President of the United States. I may add that I have in private conversations asked how Mr. Leon Henderson would interpret the amendment we have offered as a substitute, if it shall be agreed to and the measure enacted into law. No one knows whether Mr. Henderson will be designated to enforce this law or to administer it. The President may designate the Secretary of Agriculture or any one else he sees fit; but assuming that Mr. Henderson might be designated, I have taken it upon myself to ascertain, and I am authorized to say that if this measure is passed, with the amendment which we have suggested, and Mr. Hen-

derson should be designated to enforce it or administer it, he will do his level best and exert every effort to administer the law in the light of the congressional meaning.

Mr. President, I have already taken more time than I intended to take. I desire to call attention to a statement issued in a telegram sent to me by Mr. James G. Patton, president of the Farmers' Union of the United States, whose organization does not agree with the policy advocated in the Thomas amendment. I realize there is difference of opinion between perfectly creditable and sincere farm organizations, and I am not going into the question of which one of them comes nearest to speaking for the farmer. Probably none of them speaks for all the farmers. Probably all of them together do not speak for all the farmers.

Yesterday I received a letter from a member of the board of directors of a farm bureau in a county in my State, which I wish I could read, but I cannot, because he enjoined upon me confidential secrecy. I wish I could read it. I wish I had time to read the telegram sent me by Mr. Patton. A copy of it was sent to every Senator, and it was given to the press. I ask unanimous consent that it may be printed in the RECORD as a part of my remarks at this point.

There being no objection, the telegram was ordered to be printed in the RECORD as follows:

WASHINGTON, D. C., September 27, 1942.
The Honorable ALBEN W. BARKLEY,

Washington, D. C.:

A farmer's income is his production when it is multiplied by price, and therefore price alone is not income. Manpower is needed in production, so we have the three elements—manpower, production, and price.

If it were true that price is the sole factor to assure manpower on the farm, it would then follow that the farmer is in an all-out competition with industry, as to which one can pay the most to the employee. If that be true, inflation is surely on its way. Spiraling living costs will call for spiraling wages, salaries, and service charges.

In our surveys we find that the curtailment of manpower on the farm is due mainly to the draft as it has been operated to date; that it accounts for at least 70 percent of our loss of manpower on the farm. Increased prices for farm products cannot hope to secure the manpower to assure agricultural production.

In our investigations with the various departments at Washington, we did not find any projected program which gives the minimum required production of each commodity necessary to maintain our war effort and civilian needs on all fronts. We find that there has been no break-down of the manpower required on the farms to meet any kind of a coordinated agricultural production. Any business enterprise that operated on such policy would inevitably break down. This is also true of a nation engaged in a global war.

The draft, applied without a master manpower plan, breaks down the efforts to maintain adequate manpower to assure maximum production in three ways by (1) taking farmers or their sons, who would otherwise remain at home on the farm plant; (2) taking of hired farm help, who would otherwise prefer to remain on the farm if permitted draft exemption on this basis; (3) limiting manpower necessary, especially on family-type farms, to increase acreage and production.

The draft, by taking away needed manpower, is making it impossible for farmers to

maintain the agricultural production necessary for the prosecution of this war. It already is causing farmers to sell dairy herds and beef cattle for slaughter. It is increasing the number of vacant, unproductive farms.

A change in the formula for determining parity price to include labor costs in order to give the farmer higher income out of which to hire farm labor will not solve the production problem. A ceiling, for example, of 112 percent of parity would not provide enough additional income to enable the farmer to compete with industry in bidding for needed manpower, even assuming that industrial wages are promptly stabilized.

Many of the big war industries have a cost-of-labor provision incorporated into their contracts, so that actual cash consideration is a minor factor when these industries bid for labor. Thus the farmer, who has no guaranty of price, is in no position to compete, even though parity were to go to 200 percent.

It is our conclusion that the relief obtainable by inclusion of a wage scale in parity price is negligible, and that a major step toward solving the manpower problem for agriculture would be to exempt experienced farmers, farmers' sons, and hired men from military service so long as they remain engaged in necessary agricultural production. We must face the fact that there is as much responsibility in producing as in fighting. If we are to have a fighting force, we must feed it.

The conception of parity or equality goes further than the price of a few agricultural commodities. We have yet to hear any word from a majority of the farm leaders, now supporting increased parity price, on behalf of producers of flaxseed, barley, rye, oats, grain sorghums, and a long list of agricultural commodities which since the depression days of 1932 have been selling far below parity prices. For illustration, if the parity price of the 1942 barley crop of over 400,000,000 bushels could be trebled overnight, it would not increase the income of the barley producer because the Federal Government does not support barley as it does corn prices. The determining factor for barley is the price the product brings on the market.

The argument that on sound accounting principles all labor costs must be included in the price or farm production will fail does not hold good in time of war. Even prevailing prices for the agricultural commodities now above parity, such as dairy products, meats, etc., by themselves will not assure necessary wartime production unless farmers in those fields are supplied with essential manpower. It is necessary to find some way of keeping the farmers' sons and hired men on the farm to the extent of meeting a required minimum production of all of the different farm commodities essential to winning the war.

If a master production-manpower program is immediately set up and the matter of farm price ceilings left to the President of the United States, the best interests of all will be served.

Meanwhile keep the farm boys and hired men now needed on the farms from leaving, and later release as necessary from the armed services those farmers and farm boys already taken who are then most needed to meet the decided production goals. Exemptions from military service for those who follow agricultural pursuits must be based upon fighting a long war and not be 30- or 60-day deferments.

We must determine the farm plant capacity required for all the farm commodities needed for total war, not only by America but also by the United Nations. Increase acreage allotments to get the most use of farm machinery and manpower.

Finally, leave the matter of increasing prices or higher ceilings for certain commodi-

ties and other measures necessary for full production by and protection to agricultural producers, to the President and his deputies.

The cross-section report coming to us from the farmers in the Great Plains area and in part of the Corn Belt States is that parity price, as now determined, is adequate for them if they can even get that much and provided that their sons and hired men can be assigned to war duty on the farms to assure production, and, further, that they may have the protection of such prices for a period of years following the conclusion of the war.

If they can have such an assurance, they will know that they need not again experience the devastation of deflation and depression.

Our reports are that all want parity; that all want parity of sacrifice; that all want big business and every other group to be compelled, if necessary, to share in this parity of sacrifice.

M. W. THATCHER,
Legislative Chairman, National Farmers
Union, St. Paul, Minn.

Mr. BARKLEY. Mr. President, I do not know which one of these organizations is the largest, the Farmers' Union, the American Farm Bureau Federation, or the National Grange. It does not make much difference. They are all good organizations, and I have worked with all of them, and I am in sympathy with the objectives of all of them. But certainly the Farmers' Union, which represents a large number of farmers in the Middle West, and especially in the Corn Belt, does not agree to the proposition that the parity formula, which they themselves helped to write, ought now to be changed and reconsidered and revamped, and a recalculation made, simply because temporarily farm wages have gone up a little. What may happen when the war is over and farm wages go back? Will these organizations go back to their original position that they do not want farm labor considered because that might drag prices down?

I have before me a statement made by the Ohio Farm Bureau Federation endorsing the President's attitude. I shall not take the time to read it, but ask that it be incorporated in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Farmers would rather have stable prices for a long period than high prices for a short period followed by low prices—which was the experience after the last war, an experience that farmers don't want repeated. The Ohio Farm Bureau has consistently stood for parity prices. We believe farmers are entitled to full parity prices, but that's all we ask. We have been on record for stabilizing of farm prices whenever the other elements were stabilized along with them, especially profits and wages.

The President is trying to head off economic inflation which would be disastrous for the whole country and it is up to every economic group to back him up, even if it means a little pinching here and there. Farmers are eager and willing to do their part. This is no time for one economic group to jockey for advantage over the others. We must put the over-all national interest first. That's what the President is trying to get us all to do. I am sure he can count on the common farmers of this country to cooperate.

Mr. BARKLEY. The Ohio Farm Bureau Federation, in a public statement on the 9th of September, 2 days after the President delivered his message, came out in behalf of the President's position and against any reorganization or recalculation or rewriting of the parity formula which the farmers themselves sponsored in 1933 and 1938.

Mr. President, the farmers of this Nation are going to need friends when the war is over, no less than they need them now. When the time comes that most of our men shall go back to industry and to agriculture there will then be an economic and agricultural situation confronting us which we cannot ignore. We cannot serve the farmer now in the midst of war by providing for the same artificial remedy or method that may again look like a mirage or look like a limpid pool of water which turns into dead dry sand when he approaches it. When the time comes when we must readjust our economic situation, when we may have to rewrite the parity formula in view of more recent occurrences and conditions, I propose then to be the friend of the American farmer, no less than I have been his friend from the time I entered public life until this very hour.

Mr. President, I have faith in the President of the United States and in those in whom he expresses his confidence. I also have faith in American farmers. I have gone out among them as much as my time would permit in this great emergency. Sometimes we sit here and say, "I wonder if the people realize we are at war." We see doubt expressed in newspaper columns as to whether the people realize that we are in the midst of the world's greatest war. When I have gone out among farmers I have frequently found them wondering whether we here know that a great war is in progress. The farmers have always been friends of mine, and I trust they always will be. Because of the faith, esteem, and confidence they have in me and in us I hope the time may never come when I cannot now and then journey out among them and, like Antaeus of old, who came down once in a while to put his feet on mother earth, renew my strength by sitting down on a log and taking out a barlow knife and whittling with some farmer, not over the crossing of a "t" or the dotting of an "i," not about rewriting some formula of which he has heard and which he may not understand any better than we do. I hope the time will never come when I will not be free to do that. When I do it my strength is always renewed.

I have faith in those who till the soil, those who walk in the furrow behind the plow handles, with one eye on a row of corn, cotton, or tobacco, and the other on a mule.

Here in the country's heart

Where the grass is green,

Life is the same sweet life

As it 'ere hath been.

Trust in a God still lives;

And the bell at morn

Floats with a thought of God

O'er the rising corn.

God comes down in the rain,

And the crop grows tall.

This is the country's faith,

And the best of all.

Mr. President, I believe that in the proposal we have submitted we have devised the fairest and best solution of this problem that has been offered. I believe that it will become law if it is incorporated in the joint resolution; but in view of the letter written by the President to the Senator from New York [Mr. WAGNER] clarifying his statement in his message of September 7, how could the President sign any measure incorporating a provision against which he is unalterably opposed? If such a provision were included in the joint resolution and the President should veto it, we could not pass it over his veto. So Congress would either have to abandon the legislation or "eat crow" by writing a new measure which the President would sign.

Neither process would vindicate the legislative theory. Neither process would vindicate the Congress. We have been asked to act. We have been told that, unless we act by a certain date the President can no longer control the situation unless he acts.

I appeal to Senators without regard to parity politics. God knows, in the 5 years I have sat at this desk I have tried to conduct myself in such a way as to earn and receive the confidence and respect of my colleagues on both sides of this Chamber. There is not one of you on either side for whom I do not have profound respect. There is not one of you on either side, regardless of any differences which may have existed between us heretofore, for whom there is not an abiding affection in my heart.

I want the Congress to vindicate its existence and its power. I not only want to vindicate it now, but I want to strengthen it in the estimation of our people and of the world.

We have asked our boys to forget their professions and their education, to leave their wives and their children, their loved ones, their sweethearts, their mothers, their farms, their offices, and their stores, and lay their lives upon the altar of their country. That is all we have asked of them—only to give their lives. In the name of humanity, in the name of victory, in the name of democracy, in the name of fairness and justice, have they not the right to ask us, if necessary, to lay our political lives on the altar of our country and vindicate the biblical injunction, "It is more blessed to give than to receive?"

I appeal to Senators. If I had the words with which to do so, I should appeal more strongly than I have ever attempted to appeal in the past. Do not do this thing. It is not a question whether, by doing it, we shall repudiate the President of the United States. It is not so much a question whether, if we do it, we shall repudiate any political organization or any political party, or any agricultural or labor organization. As General Somervell said last night in a very eloquent speech—

This is no time in America for blocs, except an American bloc.

That is the only kind of bloc that can win this war. If this war is won, there will be credit enough for all of us. If it is lost, there is but one man who will be torn limb from limb, and that is the President of the United States. We have

been asked by him to strengthen and uphold his hand on the home front, to make it possible for him, and mandatory upon him, to deal in a legitimate, legal, fair, and just way with the home battle we are fighting. We must fight fear; we must fight suspicion; we must fight impatience; we must fight lack of faith. We must fight with one another, instead of against one another.

It is in behalf of that cause that I appeal to Members of this body, without regard to geography, politics, or any other thing which may divide us.

At the proper time I hope the Senate, in the spirit in which I have tried to speak, will adopt this suggestion, which we believe will serve every purpose and can become a law, and will not only vindicate the legislative process, but strengthen it in the minds of our people and in the minds of the people of the world, who at this hour are looking toward us to maintain freedom—not only the four freedoms, but all the freedoms which men love to enjoy. When the thing is over and our men shall come back, many of them limping, many of them with empty sleeves, many of them with scarred and lacerated faces, many of them with lacerated hearts, because they have been required in the performance of their duty to give up all the hopes they once entertained for their own future—when they come back to us, God pity this country and those who are responsible for it if they come back to find that any of us, any group of us, or all of us together, have connived to make our own financial situation better than it was when they left to fight for us.

Therefore I hope that the amendment offered by the Senator from Oklahoma [Mr. THOMAS] for whom, as he knows, I have the greatest affection and respect, will be defeated, and that the suggestion which has been worked out and offered as a substitute may be adopted by the Senate and become incorporated into law.

Mr. DANAHER. Mr. President, I am certain that there is not a Member of this body who will not find himself in accord with the higher sentiments expressed by the respected majority leader. I am equally certain that he addresses himself to a necessary cause. As a member of the Committee on Banking and Currency, to which was originally referred the emergency price-control bill, as one of the conferees when the Senate found itself in disagreement with the House some months ago, and as a member of the committee at the present time, I have followed this legislation with deep interest.

There are many phases of the appeal which has been made to the country by the President of the United States and by the majority leader which require further exploration. Equally, there are many phases of the appeal which have been made by what has been commonly called the farm bloc which require analysis; but conversely, Mr. President, by no means has it been established beyond challenge that the farming industry of the United States is responsible for impending inflation. By no means can it be said that the farmers as a group have brought on themselves the diatribes, the insinuations, and the intimations which

we have heard over the radio, in the press, and on the floor of this body during the past several days.

It equally follows, Mr. President, that the farmers of the country, insofar as their purported leaders urge in this measure, a so-called guarantee of parity plus labor costs, are being handed a "gold brick."

That is illusory, it is deceptive, it is delusive, and in my judgment it was intended to be.

However, Mr. President, we cannot ignore the signs and the portents which emanate from every State. We cannot disregard the speech of the senior Senator from Minnesota [Mr. SHIPSTEAD], in which he told us of 10,000 impending farm auctions in Minnesota, this year. We cannot ignore the speech delivered yesterday by the junior Senator from North Dakota [Mr. LANGER], in which he told the Senate of the situation as he found it in the heart of the Farm Belt in the Northwest.

O Mr. President, we do not have to go to Minnesota or to Oklahoma or to the Northwest in order to see what is happening. I hold in my hand an excerpt from the Hartford Courant, of Hartford, Conn., advertising an auction of "31 cattle, accredited for T. B.," by the Granger Sales Co.—the cattle of the so-called Aselton Farm. Directly below the advertisement there is the notice of the impending auction of "23 dairy cattle accredited for both T. B. and Bang's disease"; and directly below that is the notice of the dispersal auction of "23 grade dairy cattle, accredited for T. B.; 22 cows, principally Holsteins." The advertisement states:

This herd stood second for milk production last year in the Tolland County D. H. I. Association, with an average per cow of nearly 10,000 pounds and 361 pounds of fat.

Mr. President, that situation is obtaining everywhere; but most certainly we shall not cure it by some parity formula. Obviously, what is required by the farmer, Mr. President, is a guarantee of his costs—not prices. What difference would it make whether the farmer received \$5 a quart for milk if he could not pay the costs, if he could not hire the necessary labor, if he could not procure it so as to be able to get the milk?

Mr. President, the United States is facing during the coming year a shortage which is most ominous. It is not due solely to farmers; it is not due solely to the economic policies of the administration. It is due to a combination of factors which no one piece of legislation could rectify; but insofar as it lies within our power to guarantee the farmers their costs of production, insofar as the elements of food necessary for our maintenance must be produced, that much we can do, and no less should be done.

On the desk of each of my colleagues lies a proposed substitute which I had drawn after conference with various of the members of the committee on the majority side, after conference with officials charged with the responsibility of administering the act, and after conference with the legislative draftsmen. The President of the United States told us that we must secure the necessary

production, that we must stabilize prices, and that we must secure a stabilization of wages. As to each of the former he said that within our prerogatives we could act properly. As to wages he said he intended to act, and that we should leave the matter to him.

I accept the sense of the majority of the Committee on Banking and Currency and the action of the Senate thus far in its adoption of sections 1 and 2 of Senate Joint Resolution 161. The pending proposed substitute which now lies on the desks of Members of the Senate, a substitute which I have offered, takes account of both those sections, and repeats them verbatim. However section 2 is a most important section. It would repeal section 2 (f) and section 3 of the Emergency Price Control Act of 1942. Why? Well, Mr. President, on September 7 the President of the United States told this Congress:

The reason why price ceilings have not already been imposed on all food products is, as you know, that paragraph 3 of the Emergency Price Control Act prohibits such ceilings until farm prices as a whole have gone up beyond parity prices—far beyond—as high as an average of 16 percent beyond.

When Secretary Wickard came before our committee, Mr. President, on the 15th of September, he told us:

I would like to call your attention to the fact that section 3 (a) of the Price Control Act prevents any check on farm prices until they go considerably beyond parity, or prices now prevailing, and this is an obstacle to carrying out the President's program.

Mr. President, if we want to carry out the President's program, if we want to take heed of what he told us, and have regard for the message of the Secretary of Agriculture, what wiser, simpler, more direct method of removing that obstacle to the accomplishment of his program than to repeal it? That is what section 2 of the proposed substitute would do.

What would be the result? Were we to repeal section 3 of the Price Control Act, and place all agricultural products under section 2 of the act, the entire act would be bound as a matter of mandatory requirement to be administered in accordance with congressional standards. It would be followed out in accordance with the rationale which this Congress adopted. It would not be dependent on the whim of the President or of any deputy chosen by him under the executive authority.

Mr. President, before ever a price ceiling could be put on any such commodity it would be necessary that the Administrator take into account the congressional standards, which include—

Speculative fluctuations, general increases, or decreases in costs of production—

And general increases in costs of production clearly include farm labor, Mr. President—

distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941.

Not only could no ceilings be interposed, until and unless those factors were taken into account, but more important,

under section 2 (e) of the act a floor could automatically be fixed under all farm commodities or any other types of commodities.

Section 2 (e) reads as follows:

Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year—

I emphasize those words, Mr. President, for we had a purpose in writing them in the bill. They were placed there in the first place because we knew that there would have to be taken into account, in advance of the growing season, the threatened shortage in the ensuing year; and, consequently, to the end that there would be accomplished a guaranty in advance, under the authorization of our own legislation that a minimum price or a floor assuring the farmer or any other producer of his costs would be established for the commodity, we inserted that language. It is so simple of execution that were the Administrator possessed at this moment of the power which would thus be continued he could issue his order on Monday next guaranteeing to the farmer his costs of production and guaranteeing to him costs of distribution and transportation for the ensuing year. Consequently, the former or the producer of any commodity would know that for the year 1943 his costs were assured.

Section 2 (e) of the Price Control Act then provides that the Administrator—may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, * * *

Mr. President, the farmer has been castigated in this Chamber and across the country; and yet the fact of the matter is, as was established by the table so carefully and diligently prepared by the Senator from Kansas [Mr. REED], that, of the 31 leading commodities in the index of the Department of Agriculture, only 6 are at parity levels, and the others are far below parity. Consequently, Mr. President, there is no question whatever of a ceiling price with reference to these commodities. Moreover, in 1941 we passed legislation which authorized the Secretary of Agriculture to call for the expanded production of certain commodities; and in the event that the right to expand production were granted to the producers of this country, such producers were to be guaranteed not less than 85 percent of parity for the basic commodities, and a comparable price for all other commodities for which expanded production was asked. That is now the law. If we desire to amend it, to expand it, or to extend it we can do so. However, that is not involved in the pending measure, nor should it be.

Mr. President, the remedies open to us are many; but in the pending measure we cannot attack all of them. As the Senator from Kentucky [Mr. BARKLEY] has stated, we certainly are not going to guarantee a farmer that he will get farm

labor by assuming a ceiling price of parity plus. When the National Youth Administration is reaching all across the United States, taking boys off farms, paying their way to the East, and then paying their board until they get a job in a defense industry, do we wonder why boys are leaving the farms? When the Manpower Commission, without regard to the farm problem, is taking men from wherever it can get them and putting them into industrial production, do you wonder, Mr. President, that men are being lost to the farm?

Mr. REED. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. REED. I desire to confirm what the Senator from Connecticut has said so forcefully. In the latest issue of the newspaper of my home town, where there is an N. Y. A. school, 17 students from that little school in that little city of 15,000 people went last week to a shipping industry in the East.

Mr. DANAHER. I do not question it, and I thank the Senator from Kansas for his contribution.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. DANAHER. I am glad to yield to the Senator from Minnesota.

Mr. SHIPSTEAD. I have information from my State that the Federal Employment Service is sending men into farm areas to solicit farm workers to go into industrial employment, and holding out as an inducement the high wages they can get if they will leave the farm.

Mr. DANAHER. I thank the Senator from Minnesota, and I believe his statement to be correct.

Mr. President, my State is full of boys who have been brought in from the outside to add to the industrial labor pool in the communities in which they are employed, and their home draft boards defer them on the ground that they are engaged in a defense industry, whereas the local boys who must appear before their local boards, composed of men who are familiar with the demands of essential industries, know that the home boys are not necessarily essential; consequently, they refuse to defer the local boys in the industries, and they are sent away to the Army, while those from outside are retained in industry.

Mr. SHIPSTEAD. Mr. President, will the Senator yield further?

Mr. DANAHER. I yield.

Mr. SHIPSTEAD. Is it not also true that the local board is called upon to furnish a certain number of men from a community for the Army?

Mr. DANAHER. I have no doubt of that.

Mr. SHIPSTEAD. So the board must take them from among those who are left on the farm who have not been solicited and who have not responded to the solicitation to go away from the farm and obtain high wages.

Mr. DANAHER. There is no doubt of that, in my judgment, but I say to the Senator from Minnesota and to my other colleagues that we cannot rectify all these matters in this measure. I do say, however, that is the sort of thing which we must rectify before we can assure the

Mr. President, maintenance of a farm labor pool on which he may depend. The individual farmer, if guaranteed his cost, will produce to the very limit, and the more production we have the better off the country will be. It follows just as reasonably as our minds will work, that the more abundant a commodity, all the easier it is for the price to take care of itself; the old law of supply and demand, then, will govern, as a matter of fact. It was on that theory that we established a maximum ceiling level in the first instance with reference to all other commodities.

I saw the Senator from Ohio [Mr. TAFT] rise a moment or two ago. Did he wish to interrupt me?

Mr. TAFT. No.

Mr. DANAHER. I would have welcomed any interruption from the Senator from Ohio.

Mr. President, to refer for a moment to the proposed substitute, under section 3 the President would be authorized to promulgate such regulations as may be necessary, following the language of the original joint resolution reported by the Senate Committee on Banking and Currency. Under section 4 section 1 (b) of the Emergency Price Control Act would be extended for an additional year beyond June 30, 1943, and all provisions with reference to orders or regulations now appearing in the Price Control Act would be integrated in my proposed substitute. Under section 5 no employer would be permitted to pay and no employee would be permitted to receive wages or salaries in contravention of the regulations to be promulgated by the President in accordance with the pending joint resolution. There is a penalty provision in the event of a violation of any such regulations. Finally, Mr. President, there is a provision that the joint resolution and all regulations under it—

shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

Mr. President, that is all there is to it; that is all there need be to it. We would be carrying out every single intention uttered by the President of the United States; we would be entrusting him with the execution of a law created under our standards, containing our specifications, and even providing, in accordance with the Emergency Price Control Act, adequate review, appeal, and all the other saving provisions which exist with reference to all other commodity producers.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DANAHER. I yield to the Senator from Wisconsin.

Mr. WILEY. I desire to thank the distinguished Senator from Connecticut. I wish to say to him that, throughout the entire discussion of the pending measure, it has been demonstrated, as the Senator said a few moments ago, that our problem is to get labor back to the farm. I ask the Senator whether or not, under section 3, there would not be ample authority for the President to get labor back to the farm?

Mr. DANAHER. Does the Senator mean under section 3 of my proposed substitute?

Mr. WILEY. Yes.

Mr. DANAHER. Let me say, parenthetically, in the first instance, that that is taken, word for word, from the pending joint resolution, and is language upon which the Banking and Currency Committee of the Senate has already agreed.

Mr. President, I am not prepared to say in what manner the President would execute the powers entrusted to him under section 1 and section 5. It is my belief that his advisers would be able to state that given areas must be regulated on given standards. I cannot believe, however, that the President would go the length of saying that wages must be "frozen," if I may borrow a term, in a given area.

I believe that this country has not yet reached the point where England finds herself of ordering a man from job A to job B. Whether or not we are ready for that, I am not prepared to say, but I believe that the time will come when that certainly will be a necessary eventuality, for, as the war effort progresses, as new trainees are developed, many of whom have been and will be taken into employment and their skills increased, additional men will be relieved from essential industry, perhaps farm boys, as the Senator from Wisconsin intimates, would be directed to return to the farm. We have not reached that point yet as a matter of legislation and it is my belief that it is not contemplated under the pending joint resolution.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. DANAHER. I yield to the Senator from Nebraska.

Mr. NORRIS. I think probably the Senator, in his last sentence, answered the question I was about to propound to him. I agree that the conditions of farm labor must be remedied, and it appears to me also to be very plain that that cannot be done under the pending joint resolution. I think a great deal of the debate, important, interesting, and factual, sets forth a situation that demands a remedy, but I myself do not understand how the joint resolution or any of the amendments which have been proposed would meet that situation. I do not think it is the object of the resolution.

Mr. DANAHER. I share the conclusion of the Senator from Nebraska, subject to his amending it by an answer which I believe can be elicited thus: Does the Senator believe, if a farmer can be guaranteed his cost of production that a tendency to maintain production will be increased as a result?

Mr. NORRIS. It certainly would be, but, after all, if it were agreed to pay the farmer or if he were guaranteed a price, for instance, of \$5 a bushel for wheat, if he could not get the labor and could not perform the work himself he could not produce the wheat. The farmer's labor is being taken from him, as I understand and believe, first to meet the needs of the Army, and, second, to supply industrial projects of various kinds, thousands of which are necessary, and the number of which is now actually

growing, I think, all over the country. We do not want to destroy any industry; we do not want to destroy or cripple the Army; but when we take those two means of depleting the labor on the farm, we have to a very great extent made it impossible for the farmer to produce the food which is necessary to sustain an army in the field, regardless of what anyone may be willing to pay for it.

Mr. DANAHER. And regardless of the pending joint resolution, or the various substitutes.

Mr. NORRIS. Yes.

Mr. DANAHER. I agree with the Senator from Nebraska.

Mr. NORRIS. The Senator asked me—I do not know whether he is expecting me to answer the question or not—if I agreed with the proposition that the farmer should get cost of production, perhaps a profit. He should have them. Perhaps at this time we might say to all people, "You cannot expect a profit while the war is on." But the farmer must have cost of production. He must have a living.

However, whether we are to guarantee the cost of production depends upon what is to enter into it. Suppose we said by act, "We guarantee to every farmer the cost of production"; and suppose I were operating a big farm, and offered \$5 an hour to anyone who would come to work on the farm, and to pay time and a half for overtime. We would not want to guarantee anything like that. We should guarantee cost of production under conditions which the farmer has to meet. I admit that. I believe in that. The farmer should have that.

Mr. DANAHER. I thank the Senator from Nebraska.

Mr. WHEELER. Mr. President—

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Connecticut yield to the Senator from Montana?

Mr. DANAHER. I yield.

Mr. WHEELER. The compromise offered by the Senator from Oklahoma [Mr. THOMAS] yesterday proposed to guarantee the farmer cost of production. What the Senator from Nebraska has said is, of course, true. In some places, on some farms, the cost of production may be higher than elsewhere, but it is possible to arrive at some general cost of production for wheat, sugar beets, and certain other things in an area.

We are guaranteeing to manufacturers and to others the cost of production. We are not only guaranteeing them cost of production but we are guaranteeing them a reasonable profit in addition. In other words, we are giving them what it costs to produce, or to build, and, in addition, we are paying them a fee. We do that with the manufacturer, we do that with the man working in the defense industry, and how can it be said we cannot do it with the farmers, and carry it out in a legitimate way?

While I am speaking—

Mr. DANAHER. Does the Senator want me to answer that question first?

Mr. WHEELER. No; I was merely making a statement. I know the Senator will agree with me that it can be done.

Mr. DANAHER. Not only do I agree, but I insist that the Price Control Act contains the mechanism by which to do it, and to take into account the cost of production, the cost of distribution, the cost of transportation, and a reasonable profit. Let me say to the Senator from Montana that it even goes to the length of guaranteeing a subsidy, if necessary, to maintain production.

Mr. NORRIS. We may have to come to that.

Mr. DANAHER. We may have to do that.

Mr. NORRIS. But there is a difference between guaranteeing cost of production, and providing by law that it must be taken into consideration in fixing prices.

Mr. DANAHER. No, not prices—maximum prices.

Mr. NORRIS. Maximum prices; very well. We could put on a guaranty so high that a man could go out in the desert and haul water with which to irrigate and raise corn, where under ordinary conditions corn could not be produced at all. If our guaranty were good, and had no limit to it, we could do a silly thing like that. We get into trouble because we do not want to make a guaranty that would cover such a condition, and so, as the substitute provides, this must all be taken into consideration.

The mere fact that we take into consideration the cost of producing wheat, and guarantee the cost to the producer, does not mean, it seems to me, that under that kind of a law a man would be allowed to produce a crop in a latitude where he would have to erect a glass building over it in order to secure it, or any crazy thing like that. But the cost of production ought to be taken into consideration. I do not believe there is any dispute about that.

Mr. DANAHER. I agree with the Senator, but, of course, the Senator does not impute to me an assertion that we should build glass houses over cornfields, or anything of that sort.

Mr. NORRIS. No. I do not believe I disagree with the Senator at all.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WHEELER. If we want to be foolish enough we can guarantee to a farmer, even as the Senator has said, the cost of erecting a glass case around a crop, or anything of that kind, but so far as I know, no one has even suggested such a thing. The Bureau of Agricultural Economics has figured out generally what it costs a farmer to produce certain crops. The Army and the Navy also figure out what it will cost to build some project and then they allow that cost to the contractor, and give him a percentage of the cost for doing the work.

Of course we do not want any runaway inflation. I entirely agree with the President that that would be one of the worst things that could happen. However, when Senators stand on the floor of the Senate and say that there can be guaranteed to a manufacturer or to a defense industry, the cost of production, that a similar guaranty cannot be made

to the farmer, then I say it should not be done at all, and if the Bureau of Agricultural Economics of the Department of Agriculture cannot figure out what it ordinarily costs the average farmer to raise wheat or corn, we should abolish the Agriculture Department, because it is nonsensical to say it is impossible to figure out the average cost of raising sugar beets, or wheat, or corn, or cattle, in the United States.

Mr. DANAHER. Let me ask the Senator a question. When the United States Navy or the United States Army orders shells to be made and sent somewhere to be used to destroy life, who pays for them? Obviously, all the people, do they not?

Mr. WHEELER. Certainly.

Mr. DANAHER. If the Army needs beef and if the Army needs dairy products, including cheese and butter, who should pay for them?

Mr. WHEELER. All the people should pay for them.

Mr. DANAHER. Is it not properly and equally a charge on the whole economy?

Mr. WHEELER. Of course.

Mr. DANAHER. Yet, because of the reduction in supply, the balance left naturally tends to rise in price, and because it does, and because the food prices have risen—though only 9 percent since January of this year—the farmer is exonerated as some sort of malfeasor, like an incompetent dentist perhaps, pulling a sound tooth from the body corporate, with resulting pain, and it all causes a howl.

Mr. WHEELER. If the Senator will permit me, I should like to read an article from the Glasgow, Mont., Courier, containing excerpts from a letter written by Charles Maag to Gov. Sam C. Ford. The letter is as follows:

"The way things stand now, I will be better off not to dig a single beet this fall, and that is just what I am going to do," was the declaration this week of Charles Maag, Glasgow beet grower, in a letter to Gov. Sam C. Ford appealing for any help he can give to growers of northern Montana.

Maag, who is one of Valley County's largest growers, said other beet farmers have agreed with him in his stand. Among those in this area who have signed, indicating concurrent opinion, are Robert Cotton, H. P. Olsen, Ned L. Rushton, Howard Porter, Francis Lamphier, Alfred Lee and D. J. Meyer of Nashua, Jim Mullen, C. E. Wilson, P. R. Rohrer, and Mrs. Sadie E. Hall.

In his letter to the Governor, Mr. Maag said he told the sugar-beet company field man that "The company can go 50-50 with me on what beets I can get out of the ground or I am not going to turn a wheel this fall.

"WHY SHOULD WE?"

"I mean just that," he adds. "I have 110 acres of beets. The company has financed seed, planting, thinning, and hoeing charges of \$22 an acre or \$2,420. I have put in \$2 an acre water charges. This all amounts to \$2,640.

"I can't find one man to work. I have me and my two boys to dig and top beets. Working hard, we can get out enough beets to pay off what I owe the company in about 60 days. Why should I do that? They're in the same boat I am. The way things stand now, I will be better off not to dig a single beet this fall, and that is just what I am going to do. I have learned plenty this year."

Turning to fruitless efforts to get labor through relocation authorities, he adds: "We have evidence that the few Japs in Phillips County have letters from many friends in relocation camps. These friends have tried their best to get out of camps and work in the beet fields. They want the work and they don't like the camps. They have worked every angle they know how, but they can't get out. There is a sticker somewhere in this relocation plan. A month ago we were told we would have plenty of Japs. We haven't a sign of one and we're supposed to start digging beets next week. The beet company field man has brought in some Indians and other labor. After a few days they quit and go to work on our local airport project at from \$7 to \$10 a day. We can't beat that."

DIFFERENT STORY NEXT YEAR

He adds that "it is going to be a different story for me next year; no beets. Some of my friends think I should be afraid to write a letter like this. Why should I? I can't be any worse off than I am now. I know this relocation is all mixed up in politics and it should be soft-pedaled until after election. That is what some of these Government bureaus seem to think. But waiting until after election isn't going to help me or a lot more in the same boat."

"The boys and I have worked harder this year than I ever did in my whole life before. We had to spread things out pretty light and I haven't got as good a crop as I would have had with enough labor. But it is worth harvesting, if I can get the help."

"Last spring, I understand, our Manpower Chairman, McNutt, told one of our Senators that there wasn't any farm labor shortage in Montana. I wonder if he will still say that? We had a whole lot of town people and high-school boys and girls who helped thin and hoe beets. But they can't do the topping job. We have to have outside help. We don't need it next week or next month. We need it right now. If we don't get it, hundreds of acres of sugar beets are going to stay in the ground, and I am willing to bet the next year's acreage will be cut at least 75 percent."

"I am writing to ask that you do anything you can to help in this trouble. There are a whole lot more farmers like me who are willing to raise the crops we need in this country, but we hate to go broke doing it."

If I may add a word, I have taken the matter up with the State Department, with the Manpower Division, with the Relocation Division, and others, and the whole trouble is that there are four or five different bureaus, each one having a finger in the pie. It is an example of bureaucracy in Washington gone mad. I took the matter up with them as early as last May, and nothing was done, except that they promised we would have Mexican labor and Japanese labor. In the meantime, the farmers are not going to plant their crops for harvesting next year. It seems to me that the trouble is, and I say it with regret, that the advice given to the administration on the farm program has been from the standpoint of New York consumers, who have no appreciation of the difficulties with which the farmers of the country are confronted. The people in New York who are howling about farm prices, as well as some of the great newspapers in the East, have no appreciation of the problems of the farmers. However, the farmer referred to in the article which I have read, has had the courage to say that he is not going to put in crops next

year, but is going to sell his cattle and sheep and hogs.

The people in New York who are complaining about the prices of farm products are not going to get anything to eat unless the farmer can receive the cost of production of his crop. He is as patriotic as any group of publishers, or any other group in the United States of America. But when he sees the profits being made by other people, and sees his labor being taken off the farm, he cannot be expected to go on and work from early morning until late at night at back-breaking jobs to produce crops, when no profit will result to him, and when in many instances he is in debt and cannot afford to pay the interest.

Mr. DANAHER. I merely wish to comment, by way of observation, on what has been said by the able Senator from Montana. I agree in the main with what he has said. I am convinced that it is true. I wish to repeat and reemphasize that the pending measure will not cure the difficulty he points out, and anyone who leads a farmer or anyone else to think that it contains a panacea is perpetrating a delusion.

Mr. WHEELER. I thoroughly agree with what the Senator says. There is not in the joint resolution anything which will solve the problem. It is possible to help the farmer to some extent by giving him a price for his product so that he can pay for labor in competition with defense industries, but to that extent only. That will not cure his trouble, because for one thing, the farmer cannot obtain labor, by reason of the fact that young men are being drafted, and because the wages which are being paid in defense industries are so high that farm laborers are leaving the farm to go to work in the defense industries.

Mr. REED. Mr. President—

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Kansas?

Mr. DANAHER. I yield.

Mr. REED. Mr. President, I wish to concur in what the Senator from Montana said about the dumbness and stupidity of the eastern newspapers, and I wish to add the Washington newspapers to those suggested by the Senator from Montana [Mr. WHEELER] as being dumb newspapers.

Mr. President, I am a newspaperman, and a pretty fair newspaper reporter, I think. I wish to add the Washington Post and the Washington Star to any list of newspapers that have never carried, so far as I have seen, a single intelligent line concerning the farm problem.

I wish to make one exception. Gould Lincoln, who writes a column for the Washington Star, is allowed some latitude. Gould Lincoln, having a lot of sense, wrote in the last few days that there was a great deal to be said on the farmer's side. I hope he has not lost his job by this time.

Mr. President, that is the only intelligent line I have ever seen in the Washington Star or the Washington Post about the farm question, either in the editorial columns or in that part of their

news which is editorialized. All their news is not editorialized. The Washington Post particularly has a very fine news staff, but none of its writers are ever permitted to write a line which would convey to the people of the District of Columbia any adequate conception of the farmer's situation.

Mr. President, we of the farm bloc—and I again proclaim my membership in the farm bloc—have stood upon the floor of the Senate for years and tried to give the truth of the situation to the people of the country. But the people of the District of Columbia have never seen anything in the Post or Star about our side of the case.

I now wish to say another thing to the Senator from Connecticut. Yesterday in making my remarks on the floor of the Senate I used a table prepared for me this week by the Bureau of Agricultural Economics, on which all of us who use agricultural statistics lean. I wish, if I may, to correct the statement made by the Senator from Connecticut that the cost of living has risen 9 percent—if I correctly heard him—from January to August. The index of living costs was in January 162.3. In August it was 170.1. That is an increase of almost 8 points. But—and here is where the Senator from Connecticut may have erred through an improper application of those factors—

Mr. DANAHER. No; Mr. President, I shall not concede that I did err, but for present purposes I am willing to permit the Senator from Kansas to continue.

Mr. REED. Very well. I wanted to call attention to the fact that that factor of August of 170.1 is to be applied to the basis of January, which is 162.3, not back to the 100-percent base. On that application, which I assure the Senator from Connecticut is a correct application, the increase in the cost of living, as I have computed it, from January to August, is 4.8 percent. That, again, I say, is an indictment of the President of the United States for his inaccurate and incorrect premise used in his message of Labor Day to the people of the country.

Mr. DANAHER. Mr. President, will the Senator from Kansas tell me whether or not when he uses the term "cost of living" he includes such an item as cotton, for example?

Mr. REED. Yes.

Mr. DANAHER. Very well. Does he include clothing?

Mr. REED. I am using the table which is used by the Bureau of Agricultural Economics in the Department of Agriculture, and it includes all those items.

Mr. DANAHER. Then the point obviously is that the Senator is talking about the cost of living on an all-over basis.

Mr. REED. That is correct.

Mr. DANAHER. And I said that the cost of food only had risen 9 percent.

Mr. REED. Then I misunderstood the Senator. I beg the Senator's pardon for interrupting him.

Mr. DANAHER. I am glad to have the Senator from Kansas interrupt me. I do not wish to have him say that I erred, if he is talking about something else.

Mr. REED. Mr. President, I withdraw that statement. To my knowledge, the Senator from Connecticut has never been in error, and he is not in error now. [Laughter.]

Mr. DANAHER. Mr. President, I could ask no more complete absolution.

I referred a while since to the farmer being handed a gold brick under the pending measure. I direct the Senate's attention to section 3, where we are told that no maximum price shall be established or maintained for any agricultural commodity below a price which will reflect to producers the higher of the following:

(1) The parity price.

(2) The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942.

So far as the "higher" price is concerned, Mr. President, on all commodities which have not reached parity, it is perfectly obvious that parity would be the higher. Insofar as there may be a ceiling imposed as the result of some articles having gone through parity levels or the highest prices fixed in accordance with clause (2), it equally follows that you are tending by the proposed legislation to freeze for all commodities, whether they are out of season, whether they are rare commodities, whether they are specialty crops or items or not, the highest price paid by the public at any time over a period of some 9 months.

At the same time, Mr. President, you are freezing the price which the United States itself had to pay when it went into the market, under the emergency demand of the war in the early months of the war, to equip not only our Army and our Navy, but all our Allies, with the foodstuffs and the supplies which enter into the generally rising cost of living, and obviously the Government had to pay high prices through the procurement divisions in order to get the goods.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WILEY. I understand the Senator plainly to say that the consuming public in that respect is being handed a gold brick.

Mr. DANAHER. That is included, I will say to the Senator from Wisconsin.

Mr. WILEY. Yes. The whole argument has been that the consuming public must be taken care of, is it not?

Mr. DANAHER. Mr. President, we want to take care of the consuming public. We want to take care of all elements in our economy. That is the whole purpose of my trying to include agricultural commodities under section 2 of the Emergency Price Control Act, for the reason, let me say to the Senator from Wisconsin, that the President told us in his speech to the Nation appearing at page 7326 of the CONGRESSIONAL RECORD for September 10:

Our experience with the control of other prices during the past few months has brought out one important fact—the rising cost of living can be controlled, providing all elements making up the cost of living are controlled at the same time.

In other words, Mr. President, unless we are going to permit the entire price

level in our economy to go up in a gentle rise as the inflationary factors or demands produce that rise, it follows that we are going to have an uneven, unwieldy economy, with collapse at some points. It is because it is said that there was a threat of collapse at one point, and one point only, that all this agitation arose. I say to the Senator from Wisconsin that we cannot expect in the dislocations of war times to maintain anything like a reasonably stable economy in the first place. In the second place, insofar as we can maintain it we must do it on all fronts at the same time. We must approach the problem and at the same time take into account all elements which will produce dislocation.

Let me call to the attention of the Senator from Wisconsin, who is always interested in the facts, a statement which was made, and perhaps has not come to the notice of some of our colleagues, by Mr. Arthur C. Bartlett, who is special assistant to the Administrator of the Agricultural Marketing Administration. Speaking over Station WGY on the Farm Forum program, September 18, he said:

The daily shopping list of foods being sent to the United Nations starts off like this:

Now notice. This is the daily list:

Six million pounds of pork, 3,440,000 dozen eggs, 14,300,000 quarts of milk, 1,200,000 pounds of cheese, and 1,750,000 pounds of dried beans.

That is 1 day's shopping list, mind you.

Mr. President, we simply cannot take such quantities of those foodstuffs out of our economy every single day and not expect dislocation. Mr. Bartlett told us further, that for 1943, for the next 12 months, meat earmarked for our armed forces and for our Allies aggregates 6,000,000,000—not million, but 6,000,000,000 pounds.

Where are we to get the production, Mr. President, to restore to our consuming public the 6,000,000,000 pounds of meat thus extracted?

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WILEY. To return to the gold-brick question, as I understand, under clause (2) of section 3 of the joint resolution, the farmer is to receive—

The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942—

As the Senator knows, and as I believe he stated, six commodities went above parity, but two commodities went up to 136 percent and 124 percent, respectively, of parity. The joint resolution would fix those prices to the consuming public at 136 and 124 percent, respectively, for the duration, would it not?

Mr. DANAHER. No. Let me say to the Senator from Wisconsin that that is precisely where the farmer is being handed the "gold brick." He is promised in clause (2) of section 3 that no ceiling will be fixed over any commodity at a level lower than the highest price mentioned by the Senator from Wisconsin. Then the section goes on to state:

Provided, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the

extent that he finds necessary to correct gross inequities.

Does not the Senator realize, then, that the President can say, and will say, that there is a gross inequity in permitting such a commodity to have any such price, and that therefore he may reduce it?

Mr. WILEY. I say that the power is there; but in view of the fact that the President has permitted the condition to exist up to date, when he had the power under the old law to reduce the price to 110 percent and did not do so, how is he to justify his action in the future when he did not act in the past through Mr. Henderson?

Mr. DANAHER. I will quote the President, and let the President answer the Senator from Wisconsin. I quote from his message to us:

Prices for these—

Meaning butter, cheese, and evaporated milk—

have been going up so fast that they constitute a serious threat to an adequate supply of fluid milk. Unless we are able to get control of butter, cheese, and dairy products in the very near future, the price of milk in large cities is certain to go up.

The Senator may place any interpretation he chooses on that statement; but I have one.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WILEY. In connection with the butter and cheese statement which has just been made, I wish the country could see the true picture. In Wisconsin, farmers are receiving between 4 and 5 cents a quart for their milk, which under present conditions does not pay the cost of production. It is generally conceded that about 4 quarts of milk are required to make a pound of cheese. That means that if the farmer receives 5 cents a quart for his milk, he puts 20 cents into a pound of cheese. I have in my office a statement from a large cheese producer in my State to the effect that he will sell me cheese at 28 cents a pound, meaning that the additional cost per pound is 8 cents. Yesterday and last week such cheese sold in Washington for 59 or 60 cents a pound. There is a great deal of misapprehension on this question. The farmer receives 20 cents; but when I buy the same cheese which my milk produced, I must pay 300 percent of 20 cents, or 60 cents—an additional 200 percent.

As I say, Mr. President, there has been much misapprehension on this question. The press—not all of it—and the columnists—not all of them—have done a great wrong to 30,000,000 people of this country. Whether or not those 30,000,000 people continue to produce may determine whether or not we win the war. If it is thought that the price of 4 or 5 cents a quart for milk should be reduced, where are we to get the milk?

Already these very tactics have resulted, as was shown in my remarks before the Senate on Tuesday, in tens of thousands of milk factories—I mean cows—going to the butcher, and hundreds of farms becoming unproductive in my State. That is the thing which we must think through. I recognize that the

joint resolution is no answer to it; but after listening to the impassioned appeal of the majority leader today, I suppose the country will be told again that unless we pass the joint resolution, the whole Nation will go to the dogs, because the joint resolution is the panacea for all ills. Perhaps it might be better to pass the joint resolution and have another awakening, as we have had during the past months.

Mr. DANAHER. Mr. President, addressing myself further to the problem of cheese production, let me say to the Senator from Wisconsin that the same Mr. Bartlett whom I earlier quoted told a radio audience that the military and lend-lease requirements will take about 60 percent of the next 12 months' cheese production, even if we hold it up to the peak. I ask the Senator from Wisconsin—or the Senator from Vermont [Mr. AIKEN], who has risen—how are we to maintain cheese production in any such ratio unless some arrangement is made to give to farmers a floor under prices which will permit them to know that they may retain their cattle and not slaughter them? As I understand, about 3 years are required to breed a milk cow. The Senator from Vermont can confirm that statement.

Mr. WILEY. About 3 years are required. I suggest that the Senator address that question to the press, and particularly to some of the columnists who have been befuddling the thinking of America on this vital issue.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DANAHER. I yield to the Senator from Vermont.

Mr. AIKEN. The Senator from Vermont was about to suggest to the Senator from Wisconsin that it is very doubtful if the farmers of Wisconsin receive 5 cents a quart for the milk which goes into cheese.

Mr. WILEY. Between 4 and 5 cents.

Mr. AIKEN. As I remember, the price of $4\frac{1}{2}$ or 5 cents a quart is the blended or average price received for the surplus milk and also for the milk which is sold as fluid milk by farmers, probably to the city of Chicago.

The fact is that whereas labor receives time and a half for working overtime, the farmer receives half time for his overtime. As the Senator from Wisconsin knows, we have two prices for milk, one price, which is between \$3 and \$4 a hundred, for the milk which is sold in the city directly to the consumer as fluid milk. What is produced over and above that amount is surplus milk, and goes into cheese, casein, butter, and other by-products. It brings about half as much as the milk which goes directly to the city consumer. When the Government asks our farmers to increase their production of milk, work overtime, and buy extra grain to produce it at an uneconomic cost, it is in effect offering them the opportunity to work overtime for half price.

Mr. DANAHER. Let me say to the Senator from Vermont that I was at home a couple of weeks ago and talked with one of the leading dairymen in my section of the country. He told me that

no man lives long enough to breed a herd. He had spent more than 35 years breeding a herd of Ayrshires, which he said were the finest in New England. I do not doubt it. He said that by the end of October he will not have one. He is going to sell them all. He will not try to go on and compete under present circumstances. He will not try to produce the milk which we shall need for our cheese next year to take up the slack of 60 percent of our cheese production which is going overseas and to our Army and Navy. I say that the condition confronting our country is most acute, but that the joint resolution would not reach it.

Mr. AIKEN. Mr. President, will the Senator further yield?

Mr. DANAHER. I yield to the Senator from Vermont.

Mr. AIKEN. The experience of the Senator from Connecticut is typical of thousands of cases which exist in our own New England States. To show how desperate the farm-labor situation has become up there, let me say that last night I received a letter from one of the largest producing counties in the State, which I am to give to General Hershey, protesting against the drafting of the county agent of that county, the man who is the spearhead of every campaign which is put on in that county to increase agricultural production in order to meet the present crisis. I say that to show the seriousness of the situation with which the farmers are afflicted in relation to the farm-labor situation. When the county agent himself, the spearhead of all the food campaigns, is drafted, I do not think there is much to look forward to in the way of farming.

Mr. WILEY. Mr. President, will the Senator yield for one suggestion?

Mr. DANAHER. I yield.

Mr. WILEY. I have before me the statement of a distinguished authority from my State. I read:

Stressing the seriousness of the farm-labor situation was Ralph Ammon, director of the Wisconsin Department of Agriculture and Markets. More dairy herds are being sold through farm auctions in Wisconsin now than ever before, said Ammon, and the reason is the loss of skilled help to the armed services and to war industry with its higher wages. Farmers have surpassed the record-breaking 1942 production goals, said Ammon, but if they are to approach these goals in 1943 some adjustment of manpower among agriculture, industry, and the armed forces must be made. He offered three tentative proposals.

I call the Senator's particular attention to this because it is "right up his alley":

1. That farm-price ceilings be high enough to permit farmers to compete with industry for hired help.

Mr. DANAHER. Let me interrupt to say that particular statement is not "up my alley."

Mr. WILEY. I read further:

2. A Federal subsidy for farm labor.

3. That the War Manpower Commission ration sufficient manpower to the farms.

Mr. DANAHER. I thank the Senator from Wisconsin.

When Mr. Henderson was before our committee I asked him if he would give

us the figures with respect to the increases in the cost of living from January 1 down to the date of his testimony. He told us that while rents were down, clothing had gone up 7 percent. House furnishings had gone up 3 percent. Fuel, ice, and the like, had gone up 2 percent. Miscellaneous costs, which include transportation and gasoline, had gone up 2.6 percent, while food had gone up 9 percent. Sixty percent of the 9 percent rise had been in controlled items, and 40 percent in uncontrolled items.

Mr. President, it will be recalled that when we passed the Emergency Price Control Act we placed in it as a standard, the date of October 1 to October 15, 1941, or the nearest representative 2-week period. At that time we believed that in taking a base level as of such date, we would have a post-season date for most crops. Most of them would already have established their markets. Most manufactured commodities for winter sales and Christmas sales in department stores and the like would already have been produced. It would then have been possible with reference to commodities which were not included between the October 1 and October 15 price level—let us say some such commodity as early season strawberries or shad or some other such seasonal commodity—that the nearest 2-week period would be taken. From the base so established, an adjustment upward or downward, if need be, could be made—although, to tell the truth, none of us expected it would ever be reduced—by adding to the base period date, adequate compensation for such factors as general increases in the cost of production, speculative fluctuations, and a reasonable profit, as well as costs of distribution and transportation. That much is so fundamental that it would seem to have been silly, if I may characterize it so, that the administration did not adopt the very standard which was urged upon us when we passed the price control bill last December, yet he has offered reasons for not doing so.

Mr. President, the October date was not regarded except, substantially, for those commodities as to which a ceiling price had been fixed by Executive order before the Price Control Act was passed. As to all other commodities not so included, in May the Price Administrator issued an order authorizing a price ceiling at the highest price which prevailed at any time during March.

The result was that commodities thereafter moved from a city where the price in March was low to a city where in March the price was high. Consequently, Mr. President, we found movements of goods in spotty directions, and many persons without supplies at all. In some cities it was simply impossible to buy beef; in many places it is now impossible to buy bacon. There were commodities of that sort which responded, not to a date fixed in the act by Congress, but to a date fixed by the Administrator. I mention such a thing in order to have it understood that when the Senator from Kentucky speaks as he did this morning it is not the fault of Congress all along the line, when this, that, or the other result, allegedly anticipated, is not

achieved. It is not the fault of the farmer, either; and it is not the fault of the consumer; but the whole economy suffers from a lack of integrated management among administrative heads through competent coordination which will take into account the movement of farm labor off the farms and the drafting of men into the armed services, or other dislocations such as those we have discussed.

Another thing which is worthy of recollection while we are on the subject is that it was back in August—and I hold in my hand a clipping from the Washington Post of August 14—that—

Secretary of Agriculture Claude R. Wickard yesterday declared that rationing of meats to consumers might be necessary if ceilings are placed on livestock, as proposed by the Office of Price Administration.

His statement was given at a press conference at which he raised numerous obstacles to setting the price ceilings on live animals. At the same time, reports current in the meat trade hinted rationing—at least on some items—might be in prospect for the immediate future.

Wickard acknowledged that Price Administrator Leon Henderson had asked him in a letter for the concurrence on ceilings for live animals. The letter was not made public. Under the Price Control Act, the Secretary must concur on ceilings for agricultural products.

His discussion of the Office of Price Administration request indicated clearly that he was extremely reticent to give his consent. A highly placed Agricultural Department official later told the Chicago Sun that Wickard "is not convinced ceilings would get the job done they want done."

The Secretary said that current meat shortages along the Atlantic seaboard are due to distribution and seasonal declines in livestock marketings. He doubted ceilings would help this situation.

"If you put ceilings on livestock you will not increase the supply or improve distribution," he said. "You might decrease the supply."

Mr. President, Mr. Wickard testified before our committee when we were considering the pending measure that section 3 of the Price Control Act is an obstacle tying up the President's program. He told us that for 1942—this year—the farmer would receive a cash farm income of over \$15,000,000,000, which is a half billion, by the way, more than the previous high level reached in 1919.

He said:

At the same time, net income or the amount available to farmers for use in family living and for savings is estimated at over \$10,500,000,000, or almost a billion dollars greater than the amount available in 1919. Stated in terms of parity, farm income per capita in 1942 will be about 133 percent of the parity income level as defined in the Agricultural Adjustment Act of 1938.

Mr. President, I shall not try to reconcile those things. I shall not try to say why it is that with all agricultural commodities now produced in amounts 15 percent greater than the greatest production we ever before have experienced, we should be confronted with a demand that price ceilings be imposed, or that the levels at which they may be imposed should now be lifted, when we know that most prices are far below parity. Still the Administrator has never invoked the powers already existing in the Price Control Act.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WHEELER. One of the most remarkable, and to my mind, one of the most shocking arguments being used by some of the editorial writers and newspaper columnists in the East is that we should vote for the pending measure regardless of whether we agree that it should be enacted, because if we do not vote for it we shall bring on a constitutional crisis.

Think of it. If the President of the United States or anyone else should come to Congress and say to us: "Unless you repeal that law on the statute books I will take the matter in my own hands," and then if every newspaper in the country were to say, "You must do this because if you do not you will bring on a constitutional crisis," what would be the answer of our republican form of government in the United States, I should like to ask? If Members of the Senate, elected by the people of their States to represent them in the United States Senate, do not have the courage and the intestinal stamina to vote their convictions upon fundamental questions which affect the people of their States, without fear of bringing on a constitutional crisis, then we had better quit talking about constitutional democracy in the United States of America.

Mr. DANAHER. Mr. President, with reference to the price situation, let me recall to the mind of the Senator from Montana, that when the Price Control Act was under consideration last December it was Mr. Wickard who was before the committee asking for 110 percent of parity. It was Mr. Wickard who got it. Mr. Henderson came in and opposed it. The matter was threshed out in the newspapers. It was discussed up and down in the Senate. Certainly the conflict, with the administration supporting Mr. Wickard, finally reached the Banking and Currency Committee, until in an attempt to resolve the impasse we got the two, Mr. Wickard and Mr. Henderson, together in committee session. Senators will recall that. Since then the present situation has been precipitated.

If Senators will look at the hearings, commencing at page 59, they will see where Mr. Wickard testified and where we cross-examined him in order to bring out the fact, which he freely conceded, that he was the one who had sponsored the 110-percent level and that he was the one who then was trying to get farm prices up, and who even as late as August, as I pointed out, was resisting any effort whatever to impose any ceilings on prices on beef.

That is how the situation which confronts us developed. That is the sort of confusion out of which the present problem emanates.

Let us look at another aspect of it: Several weeks ago one of the press associations sought to anticipate the President's Labor Day address, as Senators may remember. As the newspapermen would have it in the vernacular, they "went off the deep end" with a story which, as I recall it, made the news-

papers on September 5 or 6—in any event during that period. Thereupon, the newspapers of Washington and of the country informed us that at the next press conference the Presidential secretary, Mr. Early, sent out a message from the President to the correspondents who had gathered there, "Good morning, suckers." The message was to that effect; following that particular occasion words to that effect appeared in all the newspapers.

Following the philosophy or the mental attitude—mental attitude is the better expression—underlying that sort of thing, just consider the President's radio address to the country on the night of September 7, after the people from one end of the country to the other most certainly had been led to believe that farm prices had gone so far out of line that unless we acted, and did it forthwith—by half past two the next day, if you please—the country would find itself in chaos. It was said that the Congress should have acted long before. The Congress had given the implementation to the administrative agencies down town. Why did not they act? But Congress is blamed. It is not the fault of the Congress. The President told the people of the United States that the country was losing millions of dollars of revenue every day. He says:

Today I have also advised the Congress of the importance of speeding up the passage of the tax bill. The Federal Treasury is losing millions of dollars a day because the bill has not yet been passed. Taxation is the only practical way of preventing the incomes and profits of individuals and corporations from getting too high.

Who were the advisers of the President who would prepare a message like that? They should know that there is not a single dollar of income tax coming from a corporation in the United States earlier than March 15, 1943. They know, and the President should have been told that no one in this country will pay an income tax earlier than March 15, 1943. The only loss, if there be any, would come, Mr. President, in the event that Congress should impose an increase in excise taxes on items which are already the subject of excise taxes; but such excises are all being collected. Let a lady go downtown and buy a necklace, and she will have to pay 10 percent extra for it. If she undertakes to buy a fur piece, she will pay an excise tax of 10 percent, and if she desires to buy cosmetics she will pay a 10-percent tax. All those taxes are being collected every day, and yet we find Congress impugned in the public mind, as the correspondence of Senators will show; the position of Congress before the country is challenged and it is imputed to Congress that because of its failure to pass the tax bill the Federal Treasury is not getting the taxes which the people are led to think it would otherwise be getting. The fact of the matter is that the representatives of the Treasury Department who have been before the Finance Committee since back in July brought in at least three major changes in a period of 10 days prior to our last session. In 1 week they came and com-

pletely reversed their own approach to the program of corporate income taxes. If we are going to try to reconcile conditions with what the situation really is, if we are going to impute blame, let us have regard for the facts in connection with the matter. I do not know who were the President's advisers who prepared the message which was sent to the Congress on September 7, but I do know that in it there appeared this sentence—

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WILEY. I wonder if the distinguished Senator has any ideas of his own why at this particular time in our history the farmer should have had the paint brush applied to him and why it was necessary to impugn the motives and the integrity of the Congress of the United States?

Mr. DANAHER. Mr. President, my effort before this body at this time is to show that the so-called parity formula will not achieve for the farmers of the country what many persons are leading them to think it will achieve, but it will cost consumers hundreds of millions. That is the first point. I am trying also to have the Senate realize and understand that if we are to control prices, we must control all prices on the same basis and with calculations for the identical factors, in order that a general uniform price rise, in the face of the dislocations of war, may be permitted to come. I am trying to show that all this should and can be done in accordance with congressional prescription, on a basis legislated by the Congress of the United States, the spokesmen of the people, according to standards which already exist and which are already in operation. I am trying to show that it can be done on such a basis as the people will understand. I also desire to take into account the fact that impending shortages of necessary items in our foodstuffs are so threatening and so ominous that additional steps must be taken if the public economy is to be protected and if our Army and Navy and all our people are to be guaranteed at this time next year adequate supplies of foodstuffs. All that can be done under existing law; it cannot be achieved under the pending joint resolution.

Mr. President, answering the Senator from Wisconsin further, let me point out to him that the House published a copy of the President's message to the Congress of September 7 in a document which bore the title "Placing a floor under prices of farm products." That is the title of the message as it was printed as a public document. I have it before me now. It is House Document No. 834, Seventy-seventh Congress, second session, Message from the President of the United States, titled "Placing a floor under prices of farm products."

Mr. President, in his message to Congress the President said:

Calculations of parity must include all costs of production including the cost of labor.

Why was that put in the message? Who were the advisers who put that in? Are they the same advisers who put in

the expression to the effect that it was the fault of Congress for not having acted to stop price rises? Is it the same group who said that it is the fault of Congress for failure to pass a tax bill that we are losing millions of dollars of revenue every day? Was there by any chance any coincidence in the minds of any of the advisers, whoever they may have been, that all of these things in this heterogeneous way could be made to appeal, first to this group, and then to that group, and then to a third group at this particular time? I ask the question rhetorically. It may well be that some such thing was in mind, for when Mr. Goss and the highly respected master of the National Grange appeared before our committee I examined him on that subject.

In the testimony of Mr. Goss, which will appear in the record of the hearings, at about page 169, I asked him if he did not think it was significant that the pending joint resolution on which he was testifying had nothing whatever to do on its face with the calculation of parity to include cost of production, including cost of labor. I asked him if he had not had sufficient experience with messages that had come to us from the President in the past to realize that the particular sentence to which I have referred was intended. His testimony will be found with reference to that point. Whereupon one of the Senate leaders left the room, and after a conference by telephone with some person or other, to me unknown, although I believe I know who it was, came back and said that that particular sentence in the President's message was a mistake, and he told us that the President would withdraw that particular sentence from his message and would send a letter accordingly. The letter was produced next day. It is not in the Senate hearings, but its counterpart is on the last page of the House report. It is a letter under date of September 16 to Chairman STEAGALL, of the House Committee on Banking and Currency. In that particular the President says that what he meant by the language was:

Parity is fair because it now includes the labor cost incorporated in the prices of the things which farmers buy. It is this which brings farmers into a fair relationship with other groups. This is the purpose of parity. This is what the present formula does.

He says further:

The parity principle for which this administration has stood since 1933 was a good standard for peacetime—it is a good standard for war. To recalculate parity now, and to offer the public 100 percent of a new and higher parity, would be to offer stabilization, yet destroy the possibility of achieving it.

Now let me say to Senators that things such as we have been discussing on this floor do not just happen, they do not just occur fortuitously. We have seen too much of a pattern to the contrary not to recognize it when it is patent before us.

Mr. President, if the Senate really wants to carry out what the President said he desires, we can do it simply, clearly, and unequivocally by repeal of section 3 of the Price Control Act. That

is the section which the President himself says is the bottleneck, that is the section which Secretary Wickard says has created the obstacle to the carrying out of the President's program. If we do repeal that section, we may cover all commodities uniformly under section 2 of the Price Control Act, where they can be administered just as all other commodities are administered, to the end that all elements making up the cost of living may be controlled at the same time. We can take into account not only the base period factor which the Congress itself fixed, but we can make upward adjustments as the exigencies require because of speculative fluctuations, general increases in cost of production, distribution, and transportation, and also allow for a profit to the producer.

In addition, Mr. President, in the cases of scarce commodities we will be permitting the Administrator to determine that where a shortage is threatened during the ensuing year he may put a floor under prices and guarantee the very costs which are so necessary to bring about production.

That much accomplished, Mr. President, we can face our problem in all other aspects of it promptly; we can make such amendments as may be required in the parity guarantee sections of the Agricultural Adjustment Act amendments of 1941; we can extend the program to the necessary commodities. We do not have to guarantee the highest price to all commodities, or parity, or a comparable price to some commodity which is only a luxury in war time, nor call for expanded production where we do not want to. As to all necessary items, we can include all elements which properly should be included for the maintenance of our country on a sound basis, on a production basis, on a well-fed basis, in the face of the dislocations of war.

We can at the same time promptly—and it should be done immediately—initiate whatever steps are required to alleviate the farm-labor situation. Such steps, welded into a complete and integrated whole, will give the country a program upon which it can rest assured, upon which shortages can be guarded against, upon which production can be maintained.

Our economy depends upon production. The moment we lose sight of that fundamental, we will have lost all.

Mr. CAPPER. Mr. President, I intend to vote for the Thomas-Hatch amendment so as to make certain that whoever fixes farm-price ceilings shall include increased farm-labor costs in the computation. The measure should also include leeway for the price-fixing agency, and in my judgment, direction to the price-fixing agency to place ceilings high enough to assure production of needed foodstuffs and fibers.

I take this stand, as I stated to the Senate last week, for two main reasons: First, to get some degree of equity and justice for farmers, who are making tremendous efforts—with inadequate labor, inadequate machinery, and not enough time to do all they are being urged to do. To maintain that the prices paid farm-

ers for their products are a main cause of inflation is very unfair, to put it mildly. It comes close to "passing the buck" to the farmer, when the real causes of the inflation lie in government itself.

My second compelling reason is that the Nation, and our Allies, are going to require more and more in the way of farm production in 1943 and 1944. Farmers are going to have to pay higher and higher wages, and face constantly rising production costs. They can only pay these costs out of prices received for their products. If we want increased production, we must be willing to pay for it. Then, too, before many months have passed we will have to find some way of furnishing farmers with hired help to whom to pay these higher wages.

Mr. President, I am receiving scores of letters daily—have received several hundred in the past 10 days—from Kansas farmers. They are practically unanimous in support of the proposition that they must have manpower to carry on the war-production program, and in support also of the proposal that in fixing ceiling prices the inclusion of increasing labor costs is absolutely necessary if production is to be obtained. Let me add, too, that the farmers are just as anxious to win the war as is any other group in this country; are working just as hard as any other group of Americans to win the war, and will make as great a sacrifice as any other group. Furthermore, the farmers want no partisan politics thrown into the discussion of these problems. This is no time for partisanship in the solution of farm problems or any other problems having a bearing on the war situation.

Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a few typical letters from Kansas farmers and other Kansas citizens.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

POMONA, KANS., September 26, 1942.

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR: Your standing for wage amendments deserves commendation. President Roosevelt made unwarranted and unjust attacks on farmers and it was the greatest single act to create disunity of all times.

A 12 percent raise in parity for wages on \$15,000,000,000 farm income would not be \$3,500,000,000. I have been an extensive user of hand labor on the farm with several side lines. My help is all gone. I could not afford to hire them back at half what they are getting at defense work.

The administration favoritism toward labor and the antagonism shown farmers makes it all the more imperative that Congress keep its powers in order not to imperil the war efforts. As I see it our help is gone permanently and if Congress deserts remaining farmers they will be utterly discouraged and they cannot put out their best efforts. Political favoritism, unfairness, and confusion in administration circles are holding everything back.

City and drafted help will not be hired, even if available, at high prices. What we would like is our help back who have gone to high-priced defense jobs and just enough higher prices to enable us to rehire them at wages that will satisfy them.

Please stand firm; and if you have to, let Mr. Roosevelt do the dirty work; history will show you are right.

Sincerely yours,

R. M. BITTS,
Pomona, Kans.

LEONA, KANS., September 26, 1942.

Hon. ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR CAPPER: I just finished reading the statement of A. S. Goss, national grange master, which you had inserted in CONGRESSIONAL RECORD of September 17. It seems very sensible to me. Hope you continue to work for those principles which he sets forth; to bend every effort to defeat so-called compromise with administration forces. In a compromise both sides give up something. They offer to give up nothing but expect farmer to give up justice.

I have thought a good deal about it and can see only a dark future so long as we have the present administration.

More power to Congress to defeat them before it is too late.

Sincerely yours,

ALBERT SEVERSON.

DODGE CITY LAUNDRY

AND SANTONE CLEANERS,

Dodge City, Kans., September 26, 1942.

Senator ARTHUR CAPPER,
United States Senate,
Washington, D. C.

DEAR MR. CAPPER: I have been very much interested in the debate on farm parity and other measures designed to curb inflation. I have talked with dozens of men in all walks of life and invariably they all say that if we are going to pay a ceiling on farm prices, or any other commodity we must take into consideration all of the factors that enter into the cost of production, whatever it is, and that if a ceiling is put on anything that it must be put on everything, including wages.

When we were supposed to arrive at farm parity prices on the economic bases that prevailed from 1909 to 1914, farm wages were on the average of \$1 to \$2 per day with harvest wages running from \$3 to \$5 per day. While right now I am paying \$6 a day for a man to drill wheat and was lucky to get one at all, as I had been trying to get someone for 2 weeks to work on the farm.

During harvest, we all paid from \$6 to \$10 a day for men on the farm, the average being about \$8 a day and those who hired their grain cut cost them from \$3 to \$4 an acre while in 1914 the average amount paid was about \$1 per acre.

It is beyond the comprehension of the average man to imagine how this administration in Washington figures that ceilings can be placed on any commodity and not have a ceiling placed on wages as well as on other costs entering into its production.

If I have to pay \$6 per day for farm labor, it certainly cost me a lot more to operate my farm than if I had to pay from \$30 to \$60 a month for a farm hand. I am sure all of our Kansas Representatives in Congress are doing all you can for a fair deal for the Kansas farmers.

With kindest personal regards, I remain,

Very truly yours,

U. G. BALDERSTON.

HEALY, KANS., September 24, 1942.

Mr. ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR: I am very anxious about putting the ceiling on farm produce as Mr. Roosevelt has told us he will do regardless of Congress. As labor prices are now farm products are none too high for farms where there is only one laborer. Many farmers are slowing down on account of scarcity of farm

help. Factory workers are receiving still higher wages than farm laborers. A relative of mine who has been working at Fort Riley received \$1.12½ per hour, and said he put in lots of days, and so did the other men, when they didn't really earn a dime. They were running short of anything to do but the contractor had to keep them for the next job. If the farmers are compelled to slow down production, the Nation faces a food shortage. I hope someone can convince the President that American food is playing a large part in the winning of the war, and that farm help is getting seriously scarce. Let's not let our boys down for the lack of good farm food.

Very sincerely,

Mrs. EDA ROBINSON.

DENMARK, KANS., September 25, 1942.

Senator ARTHUR CAPPER,
Washington, D. C.

MY DEAR SENATOR: Just a line to let you know I think you are right in your stand on the farm parity price question. Livestock and feed for livestock just cannot be produced in large volume unless increased and increasing labor costs are provided for in calculating parity.

It is an uphill business securing labor against the pull of the cost-plus of Government war contracts, especially on a 30-year-old farm parity formula.

Yours with respect,

C. C. NIELSEN.

WRIGHT, KANS., September 25, 1942.

Hon. ARTHUR CAPPER,
Washington, D. C.

DEAR MR. CAPPER: Stay with them; looks like the bright boys in Washington and the East want to sell us down the river again. Just why should the farmer be singled out for carrying the load? We get only about one-third of the price of a finished product. The other goes to labor and business. The way it looks, everybody wants to get rich at the expense of the farmer. I'll admit we are dumb, or we would not have put up with it all these years. Even now, if I get it right, buying Canadian wheat with lend-lease and shipping it overseas. Same way with rubber, oil will be depleted some day, while grains can be raised.

We do not mind furnishing the boys and the food, as it seems it has to be done, but we do not like being tramped on while we are doing it.

What percentage of the population is in service in the Northeast quarter of the United States as compared to the West and Midwest? Seems all the news you hear, they are all from the West. War bonds, maybe would sell better if so much would not be squandered. Thought they were going to draft labor and capital as well as the farmer and the little guy this war. Does not look that way, looks like labor and capital are gorging at the expense of the boys in the service, the farmer, and the little guy. If I am wrong would like to have facts on the matter as they have been drafting married men out here already. Looks like the East could furnish more with their larger population.

Sincerely,

EDWIN A. EVINSON.

TOPEKA, KANS., September 25, 1942.

Senator CAPPER,
Washington, D. C.

DEAR SENATOR CAPPER: We are strong for your stand for the farmer. He needs a chance more than the rest of us. Let him have living wage or earning power and we will all be better off.

Senator, we are in the store and hear many people talk and they all hope that you will continue your good work.

M. D. FUNK.

KINGMAN, KANS., September 25, 1942.
Senator CAPPER.

DEAR SIR: I think you should support any bill to help even up prices. Farmers haven't had fair prices for nearly 30 years. Any bill should require President to act and not so he can act.

Government waste in war contracts costs far more than farmers' prices.

Yours truly,

CLYDE E. PHINNEY,
Kingman, Kans.

DEAR SIR: Keep up the farm prices. They must not be lowered.

CHAS. F. SCHMIDT,
Junction City, Kans.

DEAR SIR: In regard to the fixing of farm commodities' prices, we should have 110 percent of parity, plus price of labor. We have faith in our Senators and Representatives and are glad they are showing their strength and judgment on this question. We know this is the sentiment of all farmers.

Yours truly,

Mr. and Mrs. B. F. ROBINSON and family.

INDEPENDENT FARMERS OF KANSAS,
Beattie, Kans., September 25, 1942.
Mr. ARTHUR CAPPER,
Washington, D. C.

DEAR MR. CAPPER: I want to congratulate you on the fight you are carrying on for the farmers. I urge you to keep the power of dictatorship out of Roosevelt's hands. He has always been a traitor to the farmer. I recall the wheat for rubber bill, the Fuller amendment to the Agricultural Adjustment Administration, and a lot of other farm legislation. He promises to give the power back to the people after the emergency. We know what his promises are worth. We have heard them before. If this is a democracy then let it be government by the people. Why fight the Nazi dictators and have one ruling this country? If he is a Nazi dictator he should be impeached. Please use this power if he becomes one.

They get parity from 1909 to 1914. We could buy a new binder then for \$125, now it costs \$270. If what we buy has doubled in price why shouldn't the things we sell also go up?

Yours truly,

NEIL ROMBECK.

HADDAM, KANS., September 25, 1942.
Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: Just heard over the radio administration Senators were holding up anti-inflation vote till Monday, hoping to hear from the country.

Here is my contribution. If the farmer can't get paid in parity with other businesses then the farmer should quit farming and go into other business, which they are doing.

Why make the farmer the goat? In my opinion inflation is caused more by the Government's squandering than any other cause. Surely not by giving fair price for our products.

We don't want 85 percent parity and 15 percent hand-out.

We don't need most of these bureaus.

Respectfully,

G. H. GRAHAM.

YATES CENTER, KANS., September 25, 1942.
Hon. ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: We farmers are depending on you. Don't let us down!! We farm 1,320

acres, handle about 200 head of cattle, and about 75 to 100 head of hogs. We work about 16 hours per day—often on Sunday, too, I regret to admit. My husband is considered by all who know him as being a good manager, but it is very difficult to make ends meet, after paying labor, high prices for machinery, and repair, constantly increased taxes, and always the problem of upkeep.

Give our farmers a chance—let us produce and feed hungry peoples, let us help win the war.

Yours truly,

Mrs. J. F. WINGRAVE.

IOLA, KANS., September 25, 1942.

DEAR SENATOR: I am enclosing a clipping which I hope will interest you as it certainly does all farmers. Wheat at \$1.05, we all know it cannot be raised for that with labor and machinery cost advancing as they are.

When I hear of so many men drawing \$25 a day and more and then think about the price the farmers get and wanting them cut down.

I wonder where food is coming from to win this war. Help is so scarce now half our crops were lost for lack of help.

C. A. ANDERSON.

[From the Iola (Kans.) Register]

WHO WILL GIVE IN?

Congress is just about to get tied up into a knot again.

When the President first laid down his ultimatum that he would act in the matter of farm price and wage stabilization on October 1 if Congress did not pass a law stabilizing farm prices at parity by that time, there was considerable resentment throughout Congress, especially among the farm leaders. Even so, the general attitude seemed to be that there was no choice but to do what the President asked and get it over with as soon as possible.

Since then, the farm bloc Members have been getting just a little madder every day. They are mad at the President for putting them on the spot within a few weeks before an election. They are mad at the eastern newspapers for blaming them and the farmers for the high cost of living and the danger of inflation, and at a cartoonist who pictured them as a fat pig. They are mad at Harry Hopkins who intimated in a recent speech that any Congressman who votes against Roosevelt's wishes "isn't interested in winning the war."

So they forced an amendment into the price-control bill which, while dropping the 110 percent of parity down to 100 percent, puts it right back up where it came from by establishing a new formula for parity which includes the price of farm labor.

Thus the House finally passes a bill which must be completely unacceptable to the President, which is a fit subject for endless debate before confirmation by the Senate—and with only a week to go before the October 1 deadline.

Someone is going to do some mighty fast and clever maneuvering if he gets this situation straightened out before next Wednesday night.

I don't blame the farm State Members for being mad. It has burned me up from the beginning to hear the President and the eastern newspapers continually harping on the farm price threat to inflation at a time when wage increases have regularly been contributing from three to five times as much to inflationary buying power as have farm price increases.

It has burned me up that while wage increases have been granted right and left throughout the country and while war production workers are permitted to strike when they feel like it, still it is the farmer's price which must be nailed down by Congress be-

fore the President will even promise to stabilize wages—at whatever level and upon whatever terms he may choose.

Even so, someone has to give in pretty soon or we'll all be sunk. If the race for advantage between agriculture and labor continues just another few weeks, the whole price-ceiling structure—based on price and wage conditions last March—will simply have to be thrown out the window. Then everything will be out of control and the Lord knows what will happen.

What compromise Congress may be able to work out in the coming 7 days I don't know, but I certainly hope something can be agreed upon. About the last thing the country could afford to see at this time would be an open breach between Congress and the President, each defying the other instead of both trying to work together.

PASADENA, CALIF., September 26, 1942.
Senator ARTHUR CAPPER,

Washington, D. C.:

Farmers dare not continue operations unless mandatory provision is made, including farm-labor increases in ceiling prices. Ten dollars per day to inexperienced boys picking oranges, 50 cents per box for lemon pickers will ruin citrus industry if increased costs are disregarded. Do not sell farmers short. Public with farmers.

E. NEAL AMES.

WILMORE, KANS., September 25, 1942.
Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: Please support the increase in farm prices with the farm bloc. We are entitled to the raise, because labor is receiving so high a pay. I am not in favor of one-man rule. We farmers do not want any buck passing. You Senators do your job, and the other fellow his. Every farmer is doing his part if at all possible and are watching all these political moves.

Wishing you the best of luck, remain,
Respectfully yours,

GEO. U. MOORES.

WILMORE, KANS., September 25, 1942.
Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: You were put up there to protect the farmer and stockmen, and to see the right bills get passed so they will get the most for their farm and livestock products.

Do all you can to help this new bill, and pass it over the President's veto.

We do not want a dictator in this country. Farm labor is too high for present wheat prices.

I trap coyotes in order to pay farm labor.

Yours truly,

MISS DOLLY MOORES.

WILMORE, KANS., September 24, 1942.
Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: Support the increase in farm prices please. Wages are too high. Labor nearly takes all my income. I do not want one-man rule in this country.

Profits to manufacturers are too high. There should be something done about this.

Yours truly,

Mrs. S. G. MOORES.

SALINA, KANS., September 27, 1942.
Senator ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.:

Analysis of farm problem in broadcast tonight as usual is sound; people of Kansas are behind you; stand by your guns.

A. Q. MILLER.

CLAY CENTER, KANS., September 15, 1942.
 Senator ARTHUR CAPPER,
 Washington, D. C.

DEAR SENATOR: We are in favor of victory for the farm block. What we farmers want is a fair deal, not a new deal such as we have been getting through the Agricultural Adjustment Agency.

Many small farmers in this locality are quitting the farm and going into defense work because they can make twice as much money. Prices of farm commodities are not inflated when compared with farm labor prices and prices of farm equipment.

Yours truly,

JOS. BARTER & SONS.

SALINA, KANS., September 26, 1942.
 Hon. ARTHUR CAPPER,
 United States Senate,
 Washington, D. C.

DEAR SENATOR: I keep in touch with the work you are doing for the benefit of the farmers of the West.

One important matter has never been mentioned. My tenant has farm machinery of the value of more than \$3,000. A farmer client just left the office who has farm machinery of a value of \$4,000. This machinery consists of tractors, combines, trucks, drills, plows, and so forth. At the end of 5 years' time, practically none of the machinery can be used without extensive and costly repairs. My tenant takes a loss of \$600 a year and the client who left the office takes a loss of \$800 a year.

You have been presenting the matter of labor but I doubt if Congressmen appreciate the shortage of labor in central Kansas. The war plants are paying high wages. Farm wages must increase or we cannot harvest our crops next year.

Yours truly,

C. W. BURCH.

Mr. NYE. Mr. President, it seems to me that the Senator from Connecticut [Mr. DANAHY] has opened a brand new channel into which the Senate might direct its attention to large advantage in this hour, when everyone is seeking avoidance of what some have called a collision that is in prospect between the Congress and the President. No one desires any such collision as has been predicted, particularly not at this hour. I am glad the Senator from Connecticut has spoken as he has, and given us perhaps a substitute approach to the problem which is upon our hands, to which we may be able to resort when once we have finished the pending consideration. At the moment the consideration is upon the so-called Thomas-Hatch amendment to Senate Joint Resolution 161.

I desire first of all to join my voice with that overwhelming majority of Americans who deplore injection of the slightest taint of partisan politics into these controversies bound to grow out of our overwhelming desire to do a complete job of winning this war. It is grossly unfair for anyone to strive to lay down here a premise that those who favor the Thomas amendment are doing so because of dislike of the President, who is against the Thomas amendment. Not one in the Senate is moved by any such spirit, however unfair we may believe the President to have been in bringing about this renewed consideration of existing price-control or anti-inflation legislation.

CONGRESS HELPS FARMER, TOO

An eloquent appeal was made in this Chamber last week by the junior Senator

from Michigan [Mr. BROWN]. His appeal would have been much more convincing had he refrained from borrowings to demonstrate that the President, who has befriended agriculture, could not possibly do the wrong thing for the farmers in this price dispute. For example, it was hardly in keeping with facts to give President Roosevelt credit for the reduced interest rates won for the farmer. The record shows that Congress, led by the Senator from Montana, passed a bill in 1937 reducing the land-bank interest rates charged borrowers. The President vetoed the bill. Congress passed it over his veto. The following year, when Congress voted to renew this reduced-interest legislation, the President again vetoed the action, only to be overridden once again by Congress. Perhaps Congress, including that part of it which supports the Thomas-Hatch amendment to include farm-labor costs in determining a "parity price," had something to do with help for the farmer, and that it has not been only or always the President who has responded to the agricultural interests.

NOT ASKING SPECIAL FAVORS

If we are going to win this war we are going to have to put a stop to anything and everything that seeks political advantage out of proposals which relate purely to the war, as the Thomas amendment does. When we remove the political feathers from this present farm-price controversy you find no desire by farmers or their spokesmen for anything more than a condition that will let the farmers go on with a chance to contribute to the winning of the war. There are none here without appreciation of the grave problem increasing living costs are bringing to millions of consumers. The blame for this is found to be in very small part at the door of the farmer. Three other factors are playing the substantial part; first, increased wages in industry; second, increased labor costs to harvest crops, with large production left on the ground to rot for want of hands to gather and market it; third, frightful hauls by those who handle agricultural products, price pyramiding by someone somewhere in between the farmer and the consumer.

HIGH COSTS TO CONSUMERS

My own thought is that of these three factors contributing to increasing living costs, the third cause stated is the greatest. I have offered a resolution which I hope will afford complete study of these commodity prices prevalent in the Washington markets. That study, if it should do nothing else, will at least certainly demonstrate that the farmer who produces the commodities gets virtually none of the increased prices being collected from the consumer. Before the recent rocketing of food costs the farmer was getting only about one-half of the food consumer's dollar. That it is far below that half now I have no doubt.

Incidentally, Mr. President, a friend of mine, who is required by business to be in Washington at this time, and who is stopping at a Washington hotel, last night sought to fulfill his customary desire and practice at the end of the day before retiring. Shortly after the black-

out he telephoned to the hotel service room and ordered a quart of milk. The service department advised him that it could not send a full quart, but that it could send the milk in four glasses, which was all right with him, just so long as he could get the milk. Four glasses of milk were delivered, at a cost of 20 cents a glass. Added thereto on his check was a charge of 25 cents for room service, making the quart of milk cost this particular individual \$1.05. The farmer who produced that quart of milk might have obtained as much as 5 cents; yet unreasoning, unthinking people today are more inclined to blame the farmer for such a price as was charged this individual last night than to undertake to place the blame where it properly belongs. Instead of placing the blame where it properly belongs, the wont and will generally is to blame the farmer, "a selfish, greedy individual," who cannot contribute his mite to the winning of the war without assessing huge profits and gains to himself.

FARM ORGANIZATIONS DIFFER

Mr. President, the fight which leaders of practically all farm organizations, including the Farm Bureau Federation and the Grange, have made in this price-control controversy, has been courageous to say the least. The degree to which the press and others have held these leaders up to scorn has been shameful and insulting to the intelligence of persons who are conversant with the facts. The record of these leaders has been such as definitely to destroy the argument that they are playing a partisan hand in the present battle for fair play for the farmer.

The fact that the farm organizations are not completely united in this hour is to me a source of great regret, because the only farm organization of any consequence which is standing in full support of the President on the issue of farm prices is the Farmers' Union, represented by M. W. Thatcher, its legislative chairman. That organization has its deepest roots in North Dakota. Thousands of farmers in that, my home State, have active membership in the Farmers' Union and give it great strength and force.

FARM PEOPLE ANGRY WITH POLICY

After spending several weeks in the State and finding the condition which is prevalent, I cannot help but feel that the Farmers' Union spokesmen are terribly mistaken when they represent their membership as being content with the present administration's wishes respecting the price-stabilization policy. Instead of that, I found the farm people greatly angered by the fact that industrial wage earners were not brought under stabilizing rules as was the farmer, and I found them blaming the President for failing to exercise the powers Congress had given him to govern wages as well as farm prices.

The statement to Congress by Mr. Thatcher that "agricultural production has not yet been turned loose" probably has a large measure of foundation in fact, but it should not be accepted, as it has been accepted here, as meaning that farm production is not critically threat-

ened by reason of the price and labor problems which the Government has created. There is undoubtedly the chance to develop large agricultural production through so-called family type farms, where labor dependence is solely upon the farmer, his wife, daughters, and sons who are under draft age. But production from that quarter could not in many years offset the loss of production right now occasioned by lack of the help necessary to make existing operating farms bring forth their normal production. The truth, as I find it, from personal observation and in my mail from farmers, including Farmers' Union members, is that the draft, the appeal of defense industries to farm hands, and the price structure, are contributing to a farm production break-down which will next year witness tragic shortages in essential food-stuffs. It saddens me to observe that these facts are not portrayed by the leaders of the Farmers' Union, as they are being portrayed by the leaders of other farm organizations.

Mr. President, recently, since his earlier appearance before the Senate committee, Mr. Thatcher dispatched a telegram to a Member of Congress rather clearly setting forth some serious facts which he had not earlier dealt with. It is only fair now to call attention to what he has more recently said, demonstrating an appreciation in part of the problem that does exist. Mr. Thatcher said in this telegram:

Meanwhile keep the farm boys and hired men now needed on the farms from leaving; and later release as necessary from the armed services those farmers and farm boys already taken who are then most needed to meet the decided production goals. Exemption from military service for those who follow agricultural pursuits must be based upon fighting a long war, and not be 30- or 60-day deferments.

And with that I can most heartily concur. Again Mr. Thatcher says:

The cross-section report coming to us from the farmers in the Great Plains area and in part of the Corn Belt States is that parity price, as now determined, is adequate for them if they can even get that much and provided that their sons and hired men can be assigned to war duty on the farms to assure production, and further that they may have the protection of such prices for a period of years following the conclusion of the war.

Again, Mr. President, I most heartily concur with Mr. Thatcher's conclusion except as he once again would seem to strive to make this controversy appear to be one involving the question, Shall the farmer have 100 percent or 110 percent of parity?

QUESTION NOT ONE OF 110 PERCENT OF PARITY

Mr. President, much as I like to work with the Farmers' Union, much as I appreciate the fine work that organization has done, I must put myself in disagreement with them on this subject of legislating protection to the farmer in an hour when forces are seeking to deprive him of a chance to hold his own while he struggles against terrific odds to continue that all-important production of food essential in the winning of this war. This is no battle over the question of whether

the farmer shall have 100 percent or 110 percent parity for his production, as some would make it seem. It is solely a question of giving fair play to the farmer and helping him to help America win this war which we are losing every day. We shall lose it fast and quite completely if we continue to legislate and administer the farmer into a state where we shall have food shortages to deal with through no fault of the patriotic farm people.

REAL DANGER OF FOOD SHORTAGE

Mr. President, let no Senator scoff the possibility of a food shortage, a serious and critical food shortage which can bring real want to American homes, even to the military ranks. We have talked so long of surpluses in the agricultural field that it perhaps is not surprising that many would look lightly upon the prospect of shortage. But a shortage is definitely threatened right now. Upon what we do in a legislative and administrative way at this time a great deal depends.

In 1937 I warned against continuing exports of scrap iron to Japan. I said we might some day find ourselves sending our sons into the Pacific to collect this scrap in their own bodies to be returned for burial in American soil, and pointed out the large chance of depriving ourselves of necessary scrap supplies if we did not stop the export business which was proving so profitable to a few dealers. But the threat fell upon deaf ears. After all, we had an unlimited supply of scrap iron, so we felt.

Who contemplated that we would one day be short of rubber, so short that rationing of the severest kind would have to be practiced?

Last January some of us were pleading for a governmental policy that would leave necessary farm hands at home. Our pleadings fell upon ears which were quick to ignore facts, and today the shortage of farm labor promises tremendous reduction in farm production.

When men warned against limiting sugar production by American farmers, the thought of shortage was scoffed.

Do not, I plead, scoff the idea of a possible food shortage in our own country, the country looked to for supplies for a large world. Already there are meat shortages, which have the authorities planning a rationing policy. And of course it is not necessary to remind the Senate today of the terrific shortage which confronts us in the field of animal fats and oils.

COMPROMISE IN INTEREST OF UNITY

Mr. President, compromise amendments have been offered here with a view to avoiding a clash between Congress and the President. I want such a compromise, providing it carries complete assurance that the frightful odds which the farm industry faces today are going to be in reasonable part eliminated. I want to avoid a war here in Washington so long as we have so tremendous a war on our hands abroad. Washington is not the place for a second front. I hope unity here can be attained by compromise. But the Tydings-Reed proposal does not, to my mind, offer a sufficiency of assurance of meeting the challenge in the field of

farm production. It does not direct, it merely authorizes administrators to exercise their own judgment in affording fair prices for the farmer.

Shall I surrender to the alleged cause of unity when I am so firmly convinced that such a surrender means terrific reduction of farm production in an hour when we need that production as much as we need ships, guns, powder, and planes in winning this war?

LET ERROR BE ADMITTED

Frankly, I am without confidence that administrators will be ready to acknowledge that present prices are reflecting increased production costs, including labor costs, for no other reason than that those administrators certainly ignored these factors when a few weeks ago they pointed their finger at the farmer and charged him with being the culprit responsible for inflation and increased living costs. If they are feeling mistaken about that act now, they are certainly showing no signs of it. If they would acknowledge their mistake then we could have that thing which Senators call unity in a moment.

Immediately pending before the Senate is the proposal offered by the Senator from Oklahoma [Mr. THOMAS] and the Senator from New Mexico [Mr. HATCH] to include the cost of farm labor in the formula which determines parity prices for agricultural products.

I would not lend myself to any cause, which would even unconsciously tend to upset the reasonable order of things in this hour, perhaps the most critical hour in all American history.

AGRICULTURE BASIC TO VICTORY

But when I see the vicious and dishonest fight which some forces are waging against the farmer in this same hour, a fight which could relegate the great American agricultural interest to a position of peonage, and when I observe how increasingly difficult the farmers' lot is becoming in this squeeze of changing economy I can only rally to each and every cause that will recognize agriculture as basic to victory and basic to our American economy today and for all time to come.

LABOR COSTS COVERED BY PRICE

However new some of the deal may be, it has been a pretty raw deal that the American farmer has had for long, long years. It was a double raw deal to have in any degree challenged him in this hour as responsible for inflationary trends when those so challenging him knew where the responsibility really rested. Last year, 1941, found the farm people, though they constituted 22.5 percent of the total population of the Nation, enjoying only 8.2 percent of the national income. This year might find them winning as much as 13 percent of the total national income, or the thing which some like to call "parity," when in truth it is far from an honest parity. Now, with forces, seemingly led by the President, setting out to destroy whatever balance the farmer enjoys, surely there is but one thing for us to do, namely, fight back and give the farmer what every industrial undertaking demands, and gets, in the form of right to include its wage costs in

ceiling prices. I am delighted at the opportunity to support the Thomas-Hatch amendment now pending to that end.

LET THE FARMER HELP WIN THE WAR

I can agree heartily with those who insist that this is no time to be seeking special favor or advantage for any group—labor, agricultural, or industrial. To win this war requires that individual or group advantage be not sought or tolerated. To the same extent, however, there can be no tolerance of disadvantages which would tend to destroy individuals or groups highly essential to the successful conduct of the war. There can be no denying the fact that the agricultural part of our economy is at a disadvantage, and that there is a large threat of its being placed at even a greater disadvantage. Let present trends continue and we shall witness a serious breakdown in the food-production line, a line as essential as any munitions-production line today.

I have spent 5 or 6 recent weeks in my home State, and was there in closest touch with existing farm problems. With the knowledge I there gained, I cannot be other than bitterly resentful of the pending effort to make the farmer the "goat" for the wrongs and omissions of others. I resent the daily representation to the effect that the farmer and his friends in this Congress are pursuing a greedy course. No farmer, no legislator, seeks anything more than a reasonable degree of fair play, and a return for agriculture which will let the farmer continue to carry the heavy load which the times have given him.

"Break down farm prices!" That is the cry which has followed the President's Labor Day speech, and his message to Congress demanding correctives for runaway prices and the threat of inflation.

If Congress or the administration should succeed in breaking down farm prices then this country could confidently look forward to hours, days, and months of dire want for the barest food requirements.

With the farmer straining every ounce of energy to produce food under conditions which make production increasingly difficult, there are those who accept the word of the President as being ground for a war on the farmer and on farm prices which have not even reached the misleading thing called parity.

Mr. President, this is a time to be taking careful inventory before we do those things which might easily break down farm production to a degree which in itself could lose this war. Blindly to follow the President in the kind of leadership he has given in this price controversy might be to defeat every best purpose the country is trying to serve today.

ATTACK UPON FARMER THOUGHTLESS

I find myself completely at sea in determining the cause or the occasion for Senate Joint Resolution 161. The more thought one gives it the more is one driven to conclude that it is only legislation prompted by the most thoughtless kind of demand by the President of the United States. It comes, however, at a time when the people will afford little

patience with a Congress and a President who fail to respond fully to honest effort to prevent an awful inflation in our economy. The public may not know just where are the causes for the inflation trends; the public may be thoroughly deceived by some alleged causes; but the public does know that somewhere up and down this line is someone who is failing to do what needs be done, in addition to just talking about it.

It would be well if all who are connected with the Government, particularly those charged with responsibility in the prosecution of the war, would get out and really feel the pulse of the American farmer at this time. Privately the farmer is much more plain spoken in these hours than are those who represent his organizations and stand as his spokesmen. They have been mild. To personally contact the farmer today and give him every reason to know that his interrogators or his listeners are not seeking to make trouble for him, is to find the farmer deeply resentful toward some man-made conditions, in an hour when he wants to do his full part in the winning of this war.

RESENTING UNFAIR ATTACK

The farmer is not resentful because of new tax burdens, because of inconveniences which shortages are occasioning, because of the extra load of labor and responsibility, or because of the limitations placed upon him in the price field, all of which he appreciates are necessary in the prosecution of the war, a war which the American farmer wants to win as much as any Washington official wants to win it.

BEWILDERED BY WILL TO IGNORE NEEDS

The farmers' resentment grows out of the scarcity of manpower, forced by a Government which encourages farm hands to seek places in the highly-paid defense industries, and then takes practically all the remaining able-bodied ones by the draft, in order to maintain State quotas. He knows the need for fighting men, and early encouraged sons to enlist; but he is bewildered when he finds no will to help him keep capable hands on the farm in this hour when the Government is urging larger production on the farm.

FORCED TO ABANDON FARMS

I can say without fear of contradiction that next year will witness tremendous reductions in agricultural production. Many a farmer has this year experienced help difficulties to a point where he feels that he cannot next year plant, or breed beyond what will be within the power of himself and his immediate family to take care of and see through to the harvest and the marketing. His labor difficulties this year make it clear that he can hardly anticipate anything but a greater difficulty next year. Farm people want to help win the war by doing all the things their Government asks, and more, but there are very positive limitations beyond which they cannot go. Take the case of S. O., a farmer in whose home I spent a night in my State. His farming operations, with the aid of one hired hand, last year enabled him to produce essential products and to buy \$1,500 worth of Government war bonds this spring. With

another crop year about to be undertaken this farmer sought all this past spring and summer to win deferment for his one hired hand, a deferment granted up to now. If he has finished his harvest by this time I am sure has been able, or soon will be able, to purchase from three to five thousand dollars more of Government bonds. But now he loses his help to the draft, further deferment being not available. He has diligently sought a new hand, or renters, but with no success. He himself is in his late seventies. He cannot possibly carry on the farm work in any degree.

He contemplates now the necessity of abandoning his fine acres, ceasing to produce the food which the Nation and our Allies need, and of necessity ceasing his investment of earnings in Government bonds. If this condition of affairs makes sense in any particular, this farmer fails to see it, and it will take much more than fire-side chats ever to make him see it. A condition of this sort can only invite a growing resentment on the part of a people who feel that their problem is not understood in its most simple forms.

RESENTS SCARCITY PLEA

The farmer is not happy when he finds agents of his Government who once urged scarcity, plowing down of food, and abandonment of acreage, now warning against any development that would afford a permanent gain for the farmer by building a profitable outlet for surpluses, as in the case of the Vice President's preachment against building a permanent agricultural industry to supply the rubber needs of America, now and after the war. The farmer simply does not understand why our country should remain dependent upon a foreign rubber monopoly, be it British or Japanese, when he, the farmer, could supply that essential in greatest part.

I have seen farmers and their wives filled with anger because of the daily tirade by governmental officials, columnists, and radio commentators to the effect that we are losing the war because, as they say, the farmers do not realize that we are losing the war or do not realize the seriousness of the situation. Farmers have told me how hard it is for them to listen to the radio or to read newspapers when they are sure to encounter more preachment to the effect that they do not know there is a war on.

Mr. President, such talk is a libel and an insult to the American farmer. Believe me, he knows that a war is going on. He has daily reminders of it. Most farmers have present every hour the knowledge and the reminder of the presence of a son in the fighting ranks.

Mr. President, I have referred to the resentment of the farmer toward those governmental agencies, commentators, and editorial writers, who seem to look upon the farmer as being unaware of the existence of or the seriousness of the war. There is, Mr. President, as large a war consciousness among the farmers of North Dakota as there is in any office in Washington. There is on their part as earnest a desire to win the war as there is anywhere in Washington; indeed, on these farms there is just as great, and

often a greater, readiness to sacrifice to the end that we may win the war as there is in the Nation's Capital.

The farmers who operated through the last war, and took the frightful economic beating which was visited on them during and after that war, will privately tell you that they rather expected "to be made the goat" again in and after this war, but they hardly expected the wheels to start grinding them up quite so soon as they have; and today salt is poured into open wounds when responsible parts of our Government place at the door of farm people almost the sole responsibility for whatever degree of inflation is here now or threatened for the future. The farmer wants to know, does his Government, from the President down, really believe him, the American farmer, to be an unpatriotic profiteer, a culprit, guilty of entertaining so selfish a purpose as would destroy the economic balance and bring on inflation and worse at a time such as this? These Americans who are doing the great farm production job in this emergency are quite properly resentful. Those who know and who will acknowledge the facts concerning inflation would have little respect for the farmers if they did not bitterly resent what seems to be a studied attempt to make the farm people appear to be responsible for the inflation threat.

No farmer wants a repetition of the inflation experience of the last war. He gladly submits to limitations upon the prices he can receive so long as such limitations are not confiscatory and so long as he sees that all others are limited in their chances to profit from this awful war. But we had better not expect his patience or his ability to produce to hold forever if he sees others unchecked in this great grab for quick and easy rewards and riches by reason of war while he is asked to do with less of everything and to accept responsibility for an inflated economic condition which others create.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. STEWART in the chair). Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. NYE. I yield.

Mr. AIKEN. Since the Senator from North Dakota has mentioned the farmers' sons in the fighting ranks, I should like to point out at this time that the percentages given out concerning the number of farm boys in the armed forces are very misleading. As all of us know, about 22 percent of the people live on farms; but the figures show that from 13 percent to 15 percent of the armed forces are boys who came from farms. Such figures would make it seem that farm boys are not in the armed forces in the same percentage as are the sons of other groups.

However, one of General Hershey's chief assistants has pointed out to me that those figures are misleading. He tells me that the farm boys do not register as farmers, for fear that they will be placed in the infantry, but that all farm boys are mechanically inclined, and they give their occupation as "mechanic"

or "steam-shovel operator," or some other technical term, so that they can get into the technical divisions. General Hershey's assistant to whom I have referred told me that he thought the farm boys were in the armed forces in just as large a percentage as were the boys from any other group of our country.

Mr. NYE. Mr. President, I am deeply indebted to the Senator for his contribution, which causes me to remark further anent the part which farm boys are playing in the building up of our military ranks that after the last war it was found that in my State the percentage of men responding to military needs of their Government was higher than in any other States except one or two. We could not understand, except as we came to realize that a State with a large, overwhelming agricultural population could not help but contribute and would contribute more men than would be contributed by other States.

At the moment, in my State we are bothered, as other Senators from strictly agricultural States must be bothered, by reason of the fact that the draft authorities are as severe as they are with respect to drafting the remaining farm hands. In North Dakota, as in other States, I presume, a great many of the farm boys have responded to the appeal of employment in the wartime industries where high wages are available. They accept such employment; and by reason of it they are, for the moment at least, deferred so far as the draft is concerned. They are serving a necessary cause when they are employed in defense industries; but such service places upon the back of the State the larger burden of supplying out of the remaining farm hands whatever might be the State's quota of draftees.

Today one cannot help but observe in my State, in communities large and small, out on the farms themselves, almost the utter absence of any young men. They simply are not there.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SPENCER in the chair). Does the Senator from North Dakota yield to the Senator from Montana?

Mr. NYE. I yield.

Mr. WHEELER. Along the line with reference to which the Senator has been speaking I desire to call attention to a letter which I received from the publisher of the Hinsdale Tribune, of Hinsdale, Mont., reading as follows:

THE HINSDALE TRIBUNE,
Hinsdale, Mont., September 18, 1942.
Hon. BURTON K. WHEELER,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR WHEELER: Knowing your deep interest in the welfare of Montana and your desire to be of service from personal experience, I am writing to call your attention to a situation fraught with what I feel is a grave peril both to our State and to the Nation. And I also feel, from personal talks with many people in our part of Montana, that this letter represents the feeling of the majority of Montanans.

I refer to the apparent determination of Selective Service to take into the Army every man who can possibly serve in any capacity, regardless of whether he is a man whose loss will cause the stopping of production.

I believe that, in general, the administration feels that food production is just as vital as the production of munitions. At least, this year farmers and ranchers were urged to actually increase production many times and most of them have done so.

However, in our part of Montana at least, not only have our food producers faced an almost impossible job through shortage of labor—now many of the actual producers have received notice from their draft boards that they, too, must enter the Army.

It would be difficult in many cases, but perhaps possible in normal times for a farmer or rancher to find someone to take his place and keep the farm or ranch producing. But now, when hired farm labor just doesn't exist in most cases, if the owner himself is taken, that farm or ranch simply must go out of business—there is no other answer.

I can cite you a specific case in our own community of Hinsdale. Frank Nelson, age 42, operates three farms 12 miles north of here. He also leases grazing land and has a fine herd of 60 cattle, raised 60 hogs this year, 200 turkeys, and a flock of chickens. He raised 2,000 bushels of feed grains and 5,000 bushels of wheat this season. He operates a well-kept-up place and is a good, conservationist type of farmer.

His deferment expires December 1 and his draft board says he must go then. He will have no choice other than to ship his cattle in November, sell off his hogs, turkeys, and poultry and close down the farm.

Farming and raising stock to the extent that he does, Nelson formerly kept one and often two hired men working for him in past years. Earlier drafts, however, took these men and they could not be replaced, but he went ahead, worked longer hours, and used high-school boys for what help he had to have and actually increased his production. Now, if he is taken, he simply can't find anyone to take over and must sell out.

This man is not in the best of health, has bad feet and an impaired heart, but he passed for limited service at Butte in a pre-examination last week.

This example is typical—that is why I cite it at length. Nelson will probably make a fair soldier, but he is not a strong, healthy young fellow, the finest type of soldier we can get. At home in the job he knows and does best, he is doing two or three average men's work.

We have a dozen or more fellows, no longer young, who operate good farms and ranches in our territory who are now told they must go out of business and enter the Army. They are doing good production jobs where they are and if taken, their places will go out of production.

These men are patriotic and for themselves would not ask further deferment, but the people of our community feel that they should be deferred for the good of the war effort. It is our earnest belief that no actual producer of the food needed for victory should be taken into the Army unless he is young enough to be a first-class soldier and unless he can be replaced.

The present selective-service policy, which we firmly believe is short-sighted, if carried out throughout Montana and other livestock and grain-producing States will do grave harm to the war effort through impairing food production. And it will do well-nigh irreparable damage to the post-war economy of our Western States by eliminating these producers.

In fairness, we can't blame the Selective Service for trying to do its job, which is to get men as fast as they are needed. But the other side of the picture should be brought forcefully before them. Vital food producers must stay on the job, and that can be done without running short of men. We have

millions of 18-year-old and 19-year-old men, the finest kind of fighting men, available for the draft.

And we have many, many men engaged in clearly nonessential work.

Montana is counting on you, Senator WHEELER, and on your colleagues to see that men who are really essential on the home front continue where they can contribute the most to our war effort. And we are behind you in anything that you can do to that end.

The danger is real; the need is great. And effective action needs to be taken at once. A few individual cases of lost production by induction of men needed at home into the Army may not make much difference, but multiply this by hundreds or thousands of such men throughout the West and it can have grave consequences.

If we can be of any assistance on this or any other matter, please feel free to call upon us.

Thanking you, we remain,

Sincerely yours,

H. F. TUTTLE, *Publisher.*

That letter is only one of many similar letters which I am receiving from Montana at the present time.

Mr. NYE. Mr. President, I thank the Senator; and I am sure that, as is true in my own case, he is appreciating the fact that while the debate of the last few days probably will not in itself change the draft regulations, since the pending measure does not deal with the subject, I am observing of recent hours some indication that perhaps the debate and the story of what the farmer is up against is having a decidedly helpful effect upon the selective service officials in Washington.

Mr. WHEELER. Mr. President, if the Senator will yield further to me, let me say frankly that I think the debate which has been occurring in Congress relative to the pending measure, in bringing out all the various phases of the farm problem, will have a good effect not only on the selective service officials but in giving the administration some valuable information with reference to the condition of farmers throughout the country, information which apparently the administration did not have when the President delivered his address to the Congress.

Mr. NYE. We also are hoping.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. I hold in my hand a letter received from the chairman of a county draft board in my own State. He says, among other things:

Our biggest trouble in labor problems in this country is due to the United States Employment Office contacting men in this county and advising them how much they can make as laborers, carpenters, etc., in defense plants located in Nebraska, Washington, etc. It is pretty hard to continue on the farm when they can make \$400 a month on 48-hour weekly positions.

Mr. NYE. Certainly that is another of the factors.

Mr. SHIPSTEAD. We have not only the draft taking farm hands, but the United States Employment Service recruiting farm hands for jobs paying \$300 or \$400 a month, whereas the farm hands

have been working for \$50 or \$60 a month.

In addition to being burdened by the loss of such men, the draft boards fill the county's quota by calling those who are left.

Mr. NYE. That is correct.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. WHEELER. I should like to call the Senator's attention to an article appearing on the front page of the Miles City Star, which is one of the leading daily newspapers in southeastern Montana. The article is as follows:

SHORTAGE OF LABOR ON THE FARMS FELT—MASS MEETING MONDAY NIGHT IN ELKS' HOME TO PLAN FOR PROVIDING HELP

No improvement in the farm labor shortage was reported today as beet growers, now faced with harvesting operations, were looking over their fields ripe with the harvest and hoping that conditions would be created to give them an opportunity to save their full yields.

That the labor shortage situation is desperate is indicated from reports received here that the farmers in the beet areas will be able, with what little help they have and what they are able to do individually, to gather only a portion of their crops.

MASS MEETING CALLED

Taking the lead in the matter of endeavoring to devise ways and means whereby labor will be made available from the centers of population in this region, the Chamber of Commerce of Miles City, through appropriate action taken at a meeting held, has called a mass meeting of citizens for Monday evening, September 28, in the Elks' Home.

One of the purposes of this mass meeting is to discuss the labor shortage situation from the standpoint of later approaching the matter of recruiting labor from the city, from among all classes of men, business, and professional, executives, and employees, who will, through the program of the United States Employment Bureau here, go out to the beet farms and materially help with the harvesting of the crops.

I have read the article for the purpose of showing not only why the farm leaders, about whom we have heard so much, and whom we have heard denounced on the floor of the Senate, are taking up the matter, but why even the chambers of commerce in various counties are now taking up the matter and are holding mass meetings. The farmers are threatening to plow up their crops, and are actually doing so, and they are saying that they will not continue to raise crops.

The other day a friend of mine said that when he was in Sioux City 52 earloads of breeding sheep were brought there and were dumped on the market because of the fact that it was impossible to obtain help to take care of them.

We hear talk about a crisis which will face the country. A crisis will occur, and it will be created because of a shortage of farm labor and because farmers cannot obtain the necessary help due to the fact the men have left the farms and have entered the various industries in which exorbitant wages are being paid.

I have on my desk a letter from a lady who lives in Hamilton, Mont. In her letter she states that her neighbor's boy is working in one of the defense industries and is getting between \$15 and \$18

a day, and says it is the biggest snap he ever had.

I read her letter to the Senate:

HAMILTON, MONT.,

September 14, 1942.

Mr. BURTON K. WHEELER,

Washington, D. C.

DEAR Mr. WHEELER: I am sorry you were in Missoula and I didn't know it. I should have liked so very much to meet you and talk to you although I presume you were very busy with people that count. So I suppose the only thing to do is to write to you our likes, dislikes, and protests.

We are very much incensed at the recent ultimatum of the President in reference to the 110 percent of parity prices and with his idea that he will take care of labor's wage. You know as well as I do that if Congress puts a ceiling on farm prices and not on labor's wage the President will conveniently ignore labor's exorbitant demands to the farmer's detriment. I have yet to meet the farmer or any other business or professional man who is in favor of a ceiling on farm prices and not on labor's wage. And I've yet to meet the man who is not in favor of a ceiling on both and that 6 months ago.

I'll be vigorously opposed to any bill passed by Congress establishing any control over farm products that does not also contain provision for control of labor's wage. And any bill that contains both provisions, if not too manifestly unfair, I'll be for. We only ask that if the period 1909-14 is to be used as a basis make the basis the same for both agriculture and labor.

Labor is and has been manifestly unfair and is becoming more so daily with the tacit approval of Mr. Roosevelt. I offer the three following examples I know of personally:

No. 1. A neighbor living about a mile east of me here was in the midst of putting up his second crop of alfalfa. One noon his crew come in and said, "We're not working for 50 cents an hour any more but we will work for 75 cents an hour." Of course, what could Mr. Hyatt do?

No. 2. My neighbor's boy, living about 40 rods north of me, is working in Idaho as a carpenter's helper, making from \$12 to \$18 a day. He admits himself it is the biggest "snap" he ever had or ever will probably have.

No. 3. A truck driver (he owns a small farm) driving for a farmers' co-op here has been refused permission to unload our produce at the Safeway Stores in Missoula, by the drivers' union, because he does not believe in nor will he join the union.

Now don't write back to us about this all being to back up the President's demands. You have proven to our satisfaction by the wonderful fight you put up for the preservation of the Supreme Court that you can stand on your own feet and do what is right. And unless you and other Members of Congress do stand on your own for what is right this will be a more disunited Nation than it is at present, and its present state in that respect is deplorable.

Sincerely yours,

H. W. JOSLYN.

P. S.—Don't be afraid to advocate and vote for a sales tax. Judging by the gas tax here it is one of the easiest to pay, but for heaven's sake be against all forms of foolish spending—Work Projects Administration, for instance. But you'd be surprised at the number of farmers that are for a sales tax.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. SHIPSTEAD. Yesterday I called attention to a newspaper report from Minnesota stating that approximately 10,000 sales of farm equipment and farm

stock have been held in Minnesota. I telegraphed the Secretary of the Montana Farm Bureau Federation, and asked him to verify the statement accredited to him. I have a telegram before me, which, with the Senator's permission, I will read. It is as follows:

Survey of 80 counties reveals from 50 to as high as 200 sales per county. This tremendous increase due inability to get help; due to draft, defense plant work, defense plant competition on wages. Lack of assurance of prices reveals that livestock production will suffer tremendously. Considerable slump in crop production. Land seeded down.

J. S. JONES,
Secretary, Minnesota Farm
Bureau Federation.

Mr. NYE. I thank the Senator.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator from Wisconsin.

Mr. WILEY. By way of supplement to what has been said by the distinguished Senator from Montana [Mr. WHEELER], I wish to say that I have a letter in my hand from a very distinguished lawyer in my State, showing not merely that the farmers themselves sense the situation, but the gentleman to whom I refer, who lives within 25 miles of my home town, says in his letter:

STANLEY, WIS., September 21, 1942.

I have wondered many times recently whether you men knew just what the situation is among farmers in this territory. I have not been able to hear anything through the papers that either of you have placed the facts before Congress, although I presume you have.

I feel it is safe to say that the stock and machinery on 1 out of every 10 farms in the northern half of Wisconsin has been sold at public auction in the last year. Probably the farms are still more or less worked, but the production is going to be very greatly decreased. The sales are daily increasing. The finance companies, auctioneers, and their assistants are practically working night and day. Any farmer planning on putting on a sale must wait from 2 weeks to a month to get a day when there will not be a sale in his neighborhood.

It appears to me as though there are two causes: The lack of help at any reasonable price, and the preposterous wages paid for common labor in war work. The dairy farmer cannot work his farm and care for from 15 to 30 cows twice a day. It takes 2 men to work a dairy farm of any size. Far too many farm boys have been taken off the farm. This has often occurred upon the farms which are the best producers. Some boards seem to think that a fairly prosperous farmer ought to be able to do his work alone. At least, that is what is confronting many of them.

At the Eau Claire war plant common labor is getting \$65 a week. At Milwaukee plants common labor is getting \$80 a week. This seems to me to be extremely silly on the part of the Government but probably is the result of permitting labor racketeers to become the dictators. It is absolutely certain that there is no such money as that in farming. The best farms in this neighborhood are not netting their owners to exceed \$200 a month.

I fail to understand why the President is so anxious to sell the farmer down the river. I appreciate the fact that he knows little about farming, or labor either so far as that goes, but it seems to me that any fair-minded person is foolish to claim that the farmer today is getting more than his share of the profits. I appreciate the fact that it would be well to do something to avoid runaway prices. However, it is rather late now

to talk about putting a ceiling on labor at three times what it is worth, while the cost of farm products has not arrived at what is commonly known as parity.

I am writing this letter just to call your attention to this one condition, that is, the continued sale of stock and machinery will result in the constant cutting down of production in the dairy industry, although probably you know all about it.

There is a lot more I would like to say but it might not appear well in print, and I will leave it to some time when we can talk it over.

Very sincerely yours,
C. B. CULBERTSON.

To me, Mr. President, that letter pictures a tragedy.

Mr. NYE. Mr. President, a tragedy it is, which all of us are seeing first hand, particularly those of us who come from the States that are so largely agricultural as the States represented by the Senator from Wisconsin and myself.

Mr. President, I cannot speak too seriously of the prospect that in a domestic way, America is facing at this time. In my own State I was privileged last month to observe what in all prospect was going to be the greatest harvest of all time, for during the year nature had smiled; there had been many long hours of labor devoted to production of what Uncle Sam was calling for—more food—and a wonderful crop was in the making, but, before I left, a decided difficulty was developing by reason of the inability of the farmers to obtain the help that was necessary to enable them to harvest their crop. There was a great slowness in getting the harvest under way, and then came bad weather to delay it further; but the thing that contributes most largely to the situation that confronts my State and neighboring States at this time is primarily a labor shortage.

I do not know whether Senators will appreciate the degree of alarming information that is contained in the telegram I am about to read, but on September 26, E. E. Swanston, the State land commissioner of my State, telegraphed from Bismarck:

Snow storm today. Not over 20 percent crop threshed in North Dakota, largely due to draft of farm boys and no labor available for replacement. Do all you can to keep remaining boys on farm. National calamity in sight if draft of farm boys continues. Expect 25-percent rental reduction from this department's land on account of farm boys and men being taken in draft.

Mr. President, the alarming thing to me is the declaration that not over 20 percent of the crop, this bountiful crop, had been harvested or threshed by September 26. I could not believe by my own eyes when I read that telegram, and that evening I addressed to half a dozen representative people in representative portions of my State an inquiry which I hoped would reveal how authentic and how accurate was that representation. Responses were at hand on Monday morning, and I shall offer them all for the Record. There is a divergence of opinion as to just what part of the harvest has been accomplished, but in all instances the amount declared by the State land commissioner has been approximated by the guesses of others, some lower, some higher.

I ask unanimous consent to have printed in the Record at this point telegrams from the Jamestown Sun, the Williams County Farmers Press, the editor of the Fargo Forum whose telegram is initiated H. D. P., a telegram from G. D. Colcord, of Minot, a telegram from Senator P. L. Foss, of Valley City, a telegram from Graham, editor of the Devils Lake Journal, and a telegram from Thorsen, of Grand Forks, N. Dak.

The PRESIDING OFFICER (Mr. SPENCER in the chair). Is there objection?

There being no objection, the telegrams were ordered to be printed in the Record, as follows:

JAMESTOWN, N. DAK., September 26, 1942.

GERALD P. NYE,
Senator, Washington, D. C.:

Labor shortage only 5 percent cause of threshing delay. Loss in price and grade on account of weather conditions, 25 percent.

THE JAMESTOWN SUN.

WILLISTON, N. DAK., September 26, 1942.

Senator GERALD P. NYE,
Washington, D. C.:

County agent's office informs us that out of estimated 5,000,000-bushel harvest in Williams County 30 percent remains in shocks or uncut and that weather has caused estimated 15 percent loss in unharvested crop. Ample labor supply would have reduced losses 50 percent.

WILLIAMS COUNTY FARMERS PRESS.

FARGO N. DAK., September 27, 1942.

Senator GERALD P. NYE,
Washington, D. C.:

Wilde in Sunday Forum says 60 percent threshing in State remains to be done. Continuous rains responsible. Labor shortage would have been overcome except for rain delays, which drove transient workers from farms. Air mailing tear sheets Sunday Forum giving comprehensive on farm population situation and current operations.

H. D. P.

MINOT, N. DAK., September 28, 1942.

Hon. GERALD P. NYE:
Sixty percent of grain threshed and combined in northwestern North Dakota. Two-thirds of flax remaining to be cut or threshed. Continued damp weather made threshing tough. Not much damage to grain yet, only lower test weights and grades. Severe freeze damaged potatoes 10 percent and damaged corn for seed. Farmers need 30 days to finish. Labor very scarce. Should defer farmers 30 to 60 days.

G. D. COLCORD.

VALLEY CITY, N. DAK., September 26, 1942.

Senator GERALD P. NYE:
Harvest still about 75 percent to do. Recent storm damage about 25 percent; Labor shortage acute.

Senator P. L. FOSS.

DEVILS LAKE, N. DAK., September 26, 1942.

Senator GERALD P. NYE,
Senate Building:
County officials estimate between 25 and 30 percent threshed. Weather damage very slight because of cool temperatures. Wheat may lose some weight. No sprouting reported on Thatcher. Some on Durum. Estimate 50 percent more to be threshed if no labor shortage.

GRAHAM.

GRAND FORKS, N. DAK., September 28, 1942.

Hon. GERALD P. NYE:
Threshing 30 percent. Weather caused considerable delay. Labor shortage mostly. Damage hard to estimate as yet.

THORSEN.

Mr. NYE. Mr. President, in each and every instance there is a declaration of the very dire situation confronting the State growing largely out of the want of farm labor necessary to handle the crops.

Last Sunday morning, September 27, there appeared in the Fargo Forum an interview with Mr. E. W. Anderson, chairman of the State A. A. A. committee and the Agricultural War Board. In that interview Mr. Anderson, speaking of the number of farm sales taking place, said:

True we have some farm auction sales every fall—but rarely have we had anything to compare with this movement, and unless the drain on our manpower is stopped, it probably will be immeasurably greater next year.

Then, in keeping with what others have said here, Mr. Anderson proceeded:

Some farm auctioneers are so solidly booked with sales that they do not have an open date for the next 50 days.

Commenting on this interview, the Fargo Forum editorially on the same day concluded an editorial with this language:

To learn therefore, that many farm plants are being closed down, the foundation herds and flocks hold off, and that this situation will undoubtedly become much worse next year unless something is done to stop it, is a matter of national concern.

Mr. REED. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. REED. Confirming what the Senator from North Dakota has just stated about the frequency of farm sales, I wish to say that I publish a daily newspaper in a diversified farming country. The newspaper happens to be most widely read by the farming population, and therefore carries more sale advertisements than any other newspaper in that section. In 1940, from the 1st of August to the 25th of September, we carried 17 farm sale advertisements. In 1941 in the same period we carried 37, and this year in the same period we carried 57.

Mr. NYE. It is evidently the same story in every agricultural State.

Mr. REED. The story is the same everywhere.

Mr. SHIPSTEAD. Mr. President, will the Senator from North Dakota yield?

Mr. NYE. I yield.

Mr. SHIPSTEAD. I have in my hand a newspaper report of a survey made in 16 States on this question. The States included are from the South. The far West, the Middle West, and the Atlantic coast. The survey was conducted by a staff writer for the Minneapolis Sunday Tribune and Star Journal and the result was published on Sunday, September 27. I ask that the article be included in the RECORD at the end of the remarks of the Senator from North Dakota.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit A.)

Mr. SHIPSTEAD. Mr. President, I have another article based upon a survey made by the Wide World News Service involving more than a dozen States in

different parts of the country, showing that the Senator's argument is well borne out by independent sources of information. I ask that this article also be printed following the Senator's remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit B.)

Mr. WILEY. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. WILEY. I wish to call attention to the fact that when the German hordes were going into the Ukraine, the Russian soldiers went into the fields to harvest the grain. I wonder if the Senator can tell me whether or not some of the soldiers from the camps in the Northwest of our country have been called out to insure that the grain in North Dakota shall not be lost to the Nation and to our Allies?

Mr. NYE. I can say most emphatically to the Senator that men in the Military Establishment have not been called out for that purpose. Not only have they not been called out, but they have been denied furloughs which would have enabled them to go home from the training camps this fall in order to aid in harvesting.

I have, however, been rather amused, and to some extent angered, by a condition which seems to prevail. In late July or early August I made representation to the Secretary of War concerning this threatened labor condition and suggested that farm boys who are in the training camps at the moment be granted furloughs to return to their homes for the harvest work. For reasons which I had to agree were substantial, the Secretary stated that it could not be done. But a few evenings later I listened to a radio commentator, one Boake Carter, and heard him tell how American boys in the American Army in England were helping British farmers to harvest their crops. Perhaps Carter was mistaken, perhaps he had wrong information, but, nevertheless, that was his declaration. The American soldier boys, however, have not been permitted to assist in the harvesting on American farms.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. WHEELER. I should like to call attention to a letter I have received bearing out the very statement the Senator has made. Dudley White, who is a rancher in Columbus, Mont., wrote me as follows:

COLUMBUS, MONT.,
September 22, 1942.

HON. B. K. WHEELER,
Washington, D. C.

DEAR SENATOR: We are in a very bad storm with plenty of crops under the snow, a result of the shortage of ranch help. We were late getting the crop into the ground, late irrigating, and still worse when it came to harvesting. Nothing else could be expected without enough help.

On the radio this morning Wickard is going to stop these men from leaving the farm. He is a good 6 months late even if he could do it. How he will head off the Army from grabbing the very cream of the farm hands is a mystery. The Army has cleaned this county of the best men and those that are

left are too old to be of any benefit on the farm. Those rejected by Uncle Sam are supposed to count as an A-1 ranch hand, but they can't fill the bill.

Wickard can start right here in this valley. The two chrome mines nearby are full of ranch hands and are being paid \$7 a day and up. It is impossible for the farmers and ranchers to compete with these wages.

Several days ago I noticed an article in a Chicago newspaper which I was particularly interested in and which I cut out and am enclosing in this letter. Perhaps you have already read the article and if not please take time to read it is there is much food for thought.

Very truly yours,

DUDLEY WHITE.

P. S. Today a man left me. Paid him \$85 a month, offered him \$100 a month. Refused it. Gone to the mine.

Mr. HOLMAN. Mr. President, appropriate to what the Senator from Montana has just said, if the Senator from North Dakota will yield, I should like to make a slight contribution.

Over the week end I conversed at length with a contractor in the Pacific coast area who is engaged in camouflaging certain military establishments. The only skill a workman on this contract is required to have is that of playing a spray hose on the object to be covered with various shades and tints of color.

The contractor has a renegotiable contract. He is required to pay as a base pay for 5 days of 8 hours each, or 40 hours, \$2 an hour, which makes \$80 a week. In addition, he is required to pay for 2 hours overtime, every day, or for 5 days, 10 hours at the rate of time and a half, or \$3 an hour, amounting to \$30. He also must pay for 10 hours overtime on Saturday at the rate of \$3 an hour, or \$30 more, making a total of \$140 a week for practically unskilled labor. The only condition requisite to employment on this job controlled by labor racketeers is that the laborers shall pay the racket fees to the racketeers of labor and receive from them a permit to go on the job.

Farmers cannot compete with that kind of a pay roll. Farmers cannot keep farm help on the farm under these labor payroll conditions which the administration has created and fostered. Farmers cannot continue to produce the foods and fibers which our country now must have to sustain its war efforts under these circumstances.

Mr. NYE. Mr. President, the contributions which the Senators have offered demonstrate the real problem confronting the farmer. The dire threat facing the United States as a whole is alarming, to say the least.

I would not burden the Senate or the RECORD with undertaking to put into the RECORD a full report of the cases which my mail from North Dakota is revealing concerning the problems confronting the farmer; but there are some which I think properly belong of record, which are reflective of that larger problem which is reported from all our agricultural sections. Incidentally, I should like to say that I have had only one letter which has approved the representation afforded by the President in his Labor Day speech, only one letter approving the

kind of legislation for which presumably the administration is asking in the pending price-control controversy. I shall very briefly insist upon offering some of these sample expressions.

I should like to have the RECORD, first of all, carry a telegram from the Commissioner of Agriculture and Labor of North Dakota declaring support of the proposal to amend the parity formula in the Price Control Act to include the cost of farm labor.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BISMARCK, N. DAK., September 23, 1942.

HON. GERALD P. NYE:

As official representative of all the farmers of North Dakota I urge you to support proposal to amend parity formula in price-control bill including cost of farm labor. Agriculture needs and is entitled to this protection to be on par with other industries. Have message read in RECORD.

MATH DAHL,
Commissioner Agriculture and Labor.

Mr. NYE. From Bisbee, N. Dak., I have received a letter from one A. B. Clark, in which he says:

I believe I voice the sentiment of many fellow farmers here that we will have to cut our acreage down and dispose of our livestock as we are unable to meet the increased cost of operating, and without any help.

That is merely one of many expressions of that kind, but Mr. Clark has been a little more direct about it than have others.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. AIKEN. Did I understand the Senator from North Dakota to be reading a communication from the commissioner of agriculture of his State?

Mr. NYE. I offered for the RECORD a telegram in support of the Thomas amendment which was dispatched to me by the Commissioner of Agriculture and Labor of North Dakota.

Mr. AIKEN. If I am correctly informed, the Association of Secretaries and Commissioners of Agriculture has unanimously approved the Thomas amendment, or at least the principle contained therein. The secretaries and commissioners of agriculture in the United States certainly ought to know agricultural conditions as well as the officials of the emergency bureaus in Washington. I understand that every one of them has endorsed the principle of the Thomas amendment, and has said that its adoption is necessary if we are to have food enough to feed the people of the country.

Mr. NYE. I thank the Senator. I was not aware of the unanimity of opinion among the commissioners of the various States. I appreciate the Senator making that fact a matter of record.

Mrs. E. M. Otto of Upham, N. Dak., writes me, in part, as follows:

We own 1,000 acres of pasture and hay land that we bought at \$1 per acre. We can make our living but not enough to save. Our taxes are more than the rented land. * * * Hundreds of farmers are selling out this fall and moving to town because of their sons having to join up in the Army. * * * We should be allowed at least one man, it

seems to me, on the farm, if we are to feed the world. Thousands of cattle will go to market that should be kept on the farm, and farmers are going to cut down on hogs and cream, even though the prices are good, but they cannot work without some help.

Further on in her letter she says:

We should be granted fair play, and are willing to go without many needed things, but the farmers are as usual the goats. Does the Government want to control everything and use the whip and make us jump like they do in Russia and Germany?

Mr. President, that is merely a sample of the kind of thinking that is going on in American farm homes today.

From Devils Lake comes a letter to me signed by James J. Keogh as follows:

DEVILS LAKE, N. DAK.,

September 18, 1942.

Senator GERALD P. NYE,

Washington, D. C.

DEAR MR. NYE: In reference to farm price legislation now pending before Congress, there are a few facts that I would like to have made clear to said Congress, also to Price Administrator Leon Henderson and our honorable President F. D. Roosevelt. Much has been said by L. Henderson and the President in reference to lowering farm prices for farm commodities using the years 1909 to 1914 as a basis of parity. At present time we are paying between 60 and 80 cents per hour for farm labor, we are also paying twice as much for farm machinery as we did in 1909, and in some cases three times as much.

If Mr. Leon Henderson or our honorable President can show the farmers of this Nation where they can buy their farm machinery, hire their help, and educate their children, etc., on the basis of the 1909-14 prices, we would be willing to accept those years as a basis of parity. Anything you can do for the North Dakota farmer in bringing these facts before said Congress and Price Administrator Henderson and President Roosevelt immediately would be appreciated greatly by the farmers of this Nation. We wish a fair deal in this matter. Thanking you very kindly.

Very respectfully,

JAMES J. KEOGH.

WEBSTER, N. DAK.

From S. L. Huey, manager of the Fairmont Creamery Co., of Devils Lake, N. Dak., I have a letter reading, in part:

Personally, I didn't like the tone of the President's voice when he was ordering Congress to do certain things by the 1st of October or else.

I didn't like the idea of his statement that the farm prices should be ceilinged and that if Congress did this, he would do something about labor. * * * Personally, I think that a reasonable control of farm commodities is warranted, and we have no objections to the passing of such a law, but in the same bill there should be the same control over wages. Wages constitute a greater threat of inflation than the prices of farm crops.

Colin R. Cary, of Mandan, N. Dak., writes me a letter which I ask unanimous consent to have printed in its entirety in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

L. N. CARY CO.,

Mandan, N. Dak., September 18, 1942.

HON. GERALD NYE,

Senator from North Dakota,

Washington, D. C.

DEAR SIR: Perhaps you can advise me on what we in this section of the country can

expect during war years. As near as I can make out from what Hershey and his men are saying, this entire area will become a ghost of its former self, and I gathered that North Dakota is called upon to furnish a much larger percentage of men for the armed forces than other portions of the Nation. Is this true?

We, of course, have no armament industries, and many of those in small towns who are not called for the armed forces will probably go to some war-manufacturing center, which will mean the closing of the doors for very many business concerns.

Already we are so stripped of farm hands that it is difficult to get in the crop this year without a severe loss, and it will apparently be impossible for us to find tenants for some of the farm lands for next year. How far, in your opinion, will this go?

I frankly hate to put out the money that we are taking in this year, for taxes, interest on mortgages, etc., when apparently we are going to be put through the ringer in grand style, while at the same time other areas are prospering so mightily. I realize that this is a very broad subject on which to ask your opinion, but I would very much appreciate your thoughts.

Yours very truly,

COLIN R. CARY.

Mr. NYE. Mr. President, Mr. T. T. Donner, of Danzig, N. Dak., sent me a telegram, and then wrote me a letter in which he decidedly supports the Thomas amendment, and recites the problem confronting the farmers. Enclosed with his letter is a petition signed by 75 persons in McIntosh County, in which Danzig is located, asking for a ceiling that would not permit wheat to be sold for less than \$1.50 a bushel, demonstrating clearly that parity in that instance is not sufficient to meet cost of production.

Mr. President, I received a letter from John M. Longlet, of Amenia, N. Dak., who says:

Is there anything you can do to bring pressure to leave the efficient farm boys where they can do the most good?

I only have 1 boy left, and they have reclassified him from II-A to I-A and called for examination at the same time. If they take him I am forced to quit farming, as he and I farm a section and raise 300 head of hogs and 80 head of cattle a year. If he has to go it means to quit, for help is out of the question, and everything is power farming, and that is what is happening all over North Dakota, and all the farming country. Where will the food come from? The best farming land in the United States will have to lie idle.

Also this price fixing: Why aren't we entitled to a raise in price to meet our higher-priced labor and expenses as well as the laborer? They are all working and making more than they ever have.

From Hoople, N. Dak., I have a splendid letter signed by Carl Rinde, in which he says:

What I am deeply concerned about is, What is going to happen to our farming operations next year and the following years if the war lasts?

This spring and summer it seemed to be the policy of the draft boards to defer one boy on the farm from 3 to 6 months. Now these deferments are about up, and they say there will be no more deferments. In this neighborhood, and it is the same all over the State, I know of several farmers farming 320 to 640 acres or more that have only one boy left, and he has had more or less full charge these past years, and now they are to be left alone to carry on. A lot of these are too old to operate this modern machinery, and some

have told me they will simply have to let their farms lie idle. If this policy is followed throughout the Nation we will surely lose this war, as without enough food no country can win any war.

I might as well state the true facts of my case. I bought the home place from the estate in the spring of 1937. It consists of 640 acres. I have 1 son and 2 daughters. My son was married May 8, 1941. We lived together in the same house until last fall. Rather than build another house on the farm and because my mother, now 81 years of age, had a house in town and was alone, we moved in with her last fall. This summer I have been driving out to the farm every working day and helping the boy with the farm work. We have around 40 head of cattle together, and raise grains and 96 acres of potatoes. My boy rents the farm. His deferment is up in another week, and from what they say, he won't get another one. If he goes I will be compelled to dispose of the cattle and other livestock, only raise a little grain that I can handle myself. Potatoes will be out 100 percent. I give you the facts of my case just to give you a mental picture of what so many of our farmers are up against. As far as hiring help on the farm just now, it seems to be out of the question. Right now we are trying to harvest our potatoes and if one can get help at all the men want 7 and 8 cents per bushel for picking and \$10 or \$12 per day for helping on the trucks and no market for the potatoes on account of some late blight.

I am wondering if there is anything being done to help the farm situation along this line.

We are in this war and we must by all means win it and save it for our future generations, and the farmers are going to do all they possibly can to help win it. However, if they are stripped of their essential manpower I am afraid many of them will throw up their hands in despair.

Mr. Jacob F. Bertsch, of Forbes, N. Dak., wrote me a letter in which he said that hardly any threshing is being done. The crop is big, but it is green in the shock, and even if the weather clears up there will be no labor. Mr. Bertsch continues and tells the difficult problems the farmers of that community confront in harvesting this year's crop for mere want of the labor to do it. I ask that that letter may be printed in its entirety in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

FORBES, N. DAK.,
Dickey County, September 21, 1942.
Senator GERALD P. NYE,
Washington, D. C.

DEAR SENATOR: Just a few lines to let you know that we are still alive. We had 14 inches of rain in 3 weeks; hardly any threshing done. The crop is big, but it's green in the shock, and if the weather clears up no labor. I'm a thresher; it's hard to get men, and all the rigs are short and a member of the draft board tells me that they are going to draft 75 men from this county in October. All the farm boys are about gone. Next year only one-half of the land will be farmed and one-half the cows will be milked, and so on down the line. No rubber. No machinery. No labor, and so on. What can be done about the farm-labor shortage? I'm sick and spend quite a little time in the hospital. Got only 1 son which will be 20 years of age this week. Farm 3 quarters land, milk 14 cows, and I can't do much.

Yours,

JACOB F. BERTSCH.

Mr. NYE. Mr. President, I have also received a letter from J. J. Stultz of Pembina, N. Dak., who writes:

We had to pay \$6 a day for a boy during combining (including room and board) to haul grain by trucks to town from a one-man combine and later he quit as he could make \$8 a day digging potatoes.

Mr. President, I ask that a letter sent to me by F. H. Farrow, of Cavalier, N. Dak., be printed in the RECORD in full at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CAVALIER, N. DAK., September 24, 1942.
Mr. GERALD P. NYE,
Washington, D. C.

DEAR SIR: Just a few lines to let you know how things are up here in North Dakota. Well, this is one of the toughest years I have had trying to farm; the shortage of labor is bad. We have 700 acres in our unit of spuds. We generally run 4 diggers and crews to harvest these spuds. Other years at this time we have our spuds out and in storage. This year we are only started digging and only running one digger as we can't get men in the warehouse to unload our stuff. Looks as though one-half of our stuff will remain in the ground. We also have that late blight in our spuds that is going to take a lot more work in handling them. We have to grade everything into storage. Other years we just dumped it in the bins. I, myself, farm 450 acres. Still have 170 acres to thresh and about 100 acres of spuds to dig. I have not been able to get a man to help on the farm since harvest started. I have one boy 15. He is slightly crippled. He and I have done all the farm work so far. I have had some young kids helping this season, which has been costly with so much breakage in not knowing how to handle farm machinery, and also you can't get a full day's work in, being they lose so much time. Right now it looks as though we will have to leave a lot of our land idle next year, which will be bad. Now take the dairy farmer. They are shipping out their milk cows as they can't get help. Us farmers are going to need help of some kind if we are going to be able to feed the boys in the Army and defense plants. It looks as though our farm prices should take care of us but they just won't, being it cost us so much more to operate than usual. Then comes this gas rationing. We just got to have tires and gas both for tractors, trucks, and cars. It usually takes 21,000 miles on my car for field bossing in the spuds and handling the grain. I have cut down on all my excess driving and will be able to get by on about 16,000 miles this year. Since I started this letter we had a terrible wind yesterday. Most all the flax was in the swarth ready to combine as soon as this weather cleared up. But this wind was between 40 and 50 miles per hour. Flax is scattered all over the country. I had one 30-acre field that blew away. Can't even find any of it. I have two other fields that are spread all over. Just don't know how I will be able to get it back in rows for the combine. This flax crop sure was a flop this year. First the rust hit it, cutting the yield to about one-half; then this wind damage leaves nothing in the flax crop. The Government needs all the flax we can grow so next year the flax grower should have some Government protection in the way of crop insurance, the same as they have on wheat. You, as Senator, will have to remember that there has been 2,000,000 experienced men taken from our farms and they still are taking them. Quite a number of farmers that cut their grain with a binder and then thresh it. It still is in the field as they can't get

men to start up their machines. So anything you can do to help this labor shortage and a boost in prices sure will be appreciated. This sure sounds like a hard-time letter. Well, things are just as tough as they sound.

Yours truly,

F. H. FARROW.

Mr. NYE. Mr. President, I also ask to have the letter addressed to me by C. W. Schrock, president of the City Commission of the City of New Rockford, N. Dak., may be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW ROCKFORD, N. DAK.,
September 25, 1942.

Hon. GERALD P. NYE,
Washington, D. C.

DEAR SENATOR NYE: Noticed in yesterday's Fargo Forum that there is a strong possibility of a split between Congress and the President over farm parity prices.

I surely believe that the farmer should get more consideration for the much higher expenses he has to pay. Threshing labor here is getting 60 cents to 70 cents per hour and 75 cents would not be too much considering living expenses and the fact that they can only work part time due to weather conditions. Considering time lost their wages would not average 25 cents per hour for the fall's work.

If the farmer's income is curtailed so that he cannot pay fair wages he cannot get men, if he cannot get men he cannot farm and produce food. Farmers have told me that thousands of acres will not be in crops this coming year. If people complain now from lack of rubber and gasoline what is going to happen when they lack food and clothing.

The Fargo Forum stated that in the event that Congress should pass a bill unfavorable to the President's plans he might veto it and under wartime powers impose such ceilings as he wished.

If he can do that why not dissolve Congress and let the President and his corporation board heads run the show.

We have fought a losing battle against economic dictatorship for many years. Must we now allow political dictatorship, too, and at a time when we are fighting to rid Europe and Asia of that evil? Looks like a case of free Europe and Asia and enslave America.

Very truly yours,

C. W. SCHROCK,
President, City Commission.

Mr. NYE. Mr. President, the Secretary of the Greater North Dakota Association writes:

Our farmers and businessmen are intensely interested in this price-control legislation. As to public developments and thought through the press, it looks as if the administration intended to give the farmers a setback and give all the advantages to the labor organizations. If a farmer is not entitled to have his labor cost considered in a cost-of-production program, I would like to have someone tell me why other enterprises are permitted to consider their labor costs. As labor is being paid in the industries today, it seems to me they have very little regard for what they pay.

Up at my farms we are getting just about half the price for grain we got in the first World War. We are paying higher wages to men than we paid at that time. It is also more difficult to get labor than it was then. Repairs, machinery, and everything else is a

serious proposition and the farmers are not in a very good humor over this set-up.

Andrew Robbie, of Cavalier, N. Dak., writes as follows:

I thought that it might be interesting for you to know just how labor conditions are here. We grow quite a large acreage of potatoes ourselves and in this section, potatoes are one of the major crops. It is just about impossible for us to get help to harvest them. I do not suppose that we will harvest over 25 or 30 percent of our 700 acres. Owing to the heavy rains we had here and the blight in our fields, has made it doubly difficult as we have had to grade all our stock into the bins to pick out rots and what labor we are able to get is commanding such a high wage that it is going to make the cost to us so excessive that even what we are able to save may be done at a loss.

To give you some idea of just what is happening here with labor, we have three brothers working for us on our farm. They are all good tractor men and machinery men. One of them left us a couple of months ago and went into defense work. He is home at present on a 10-day leave. He told me that the lowest wages he received for any 1 week since he left for the defense work, was \$112 and the highest \$168. He is taking one of his brothers back with him to work at the same place. If we are going to lose all our men that have mechanical ability and who are able to take care of our farm machinery, it is just going to be impossible for us to operate. I really do not know what we will do unless some action is taken to make it possible for the farmers to hold such men on the farm.

Here is a letter from one who seemingly preferred that his name not be used. He is a farmer of Upham, N. Dak., a man over 70 years of age, with 2 sons, 1 of them 37 years old and the other 39 years old. Both sons are unmarried. Both of them largely contributed to the success which has been the lot of the father in saving that farm through the difficult years through which he has gone. The 37-year-old son was drafted some months ago. January 1 of next year will witness the drafting of the second son. This is a farm with 70 head of cattle, 230 head of sheep, many pigs, and horses. This farmer does not know what he is going to do when that time comes. I know what he will do. He will do what many others are doing. He will sell the place and move into town. He cannot carry the load himself.

I ask unanimous consent that his letter may be printed in full in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UPHAM, N. DAK., September 20, 1942.
Senator GERALD P. NYE,
United States Senator,
Washington, D. C.

DEAR SENATOR NYE: I am glad that some of you are trying to help us farmers keep some of our boys on the farm. That problem is growing very serious around here. My next to the oldest son is now in the Army. But he was a great help to me during the years he shared the responsibility on my farm. Since he has left my oldest son has had to carry the burden of the load here, which he has had to do in addition to the work which was necessary because he rents my brother's place. I am 71 years old, and my brother is even older so you can see that he could not run his own place. But the draft is going to take this son, too, this fall or winter.

I don't see how the Government is planning when they make it so impossible for some of us to carry on. Let me tell you what we have been doing. These 2 sons that I speak of, and I, are cultivating a great deal of land, and we also have 70 head of cattle, 8 horses, and farm machinery, and 230 head of sheep and 12 pigs. My 2 boys are 37 and 39 years old, with the oldest one deferred only until January.

We owe nothing on our land or our property, but it is only because the boys have been able to help me through all these hard years. If it had not been for these two boys I could not be on my place here now.

My sons are not slackers in any sense. The one at Fort Knox went when he was called last spring. Both of these boys was born right here on this farm. I myself was born right here in this State. The two boys between them have bought about \$600 worth of bonds, which goes to show where their heart is.

There was shipped out of this little town of Upham yesterday five carloads of stock. This is going to keep on if conditions are not changed. What then are we going to do with all of our feed, our silage and other feed?

Hadn't we ought to be using our heads before it is too late? Farm production cannot be kept up if these necessary boys are going to be taken into the Army. We can't get any kind of help here at all. This fall we hired two strangers to help us with shocking. They stayed with us through the rainy weather when there was nothing to do, but we got only half done with the shocking and they both left, and we had to do the balance of the work ourselves. We have had only one helper now in threshing. But he worked only two and one-half days, and in the evening he stuck his fork in the ground and went to town, and he has not come back. We just cannot carry on farming at our age without some help, and the help is not available when they take all of these worth-while boys into the Army.

Sincerely yours,

Mr. NYE. There are other letters which I might offer for the RECORD, but surely those ought to be enough.

I cannot understand why there are those—whether they be from farm States or not—who fail to sense the awful threat which is in the air at this time, a threat of reduced farm production, not because the farmer does not want to produce, not because he is not ready to sacrifice, but because he is being asked to do an impossible thing in this hour.

We are now asked to pass Senate Joint Resolution 161, a legislative approach growing out of the Presidential demand for such legislation as will prevent further inflation and curb farm prices. In this demand the Presidential displeasure was directed quite forcefully at farm prices. I have not found it easy to understand just what prompted the Presidential declaration. The President could not help but know where the largest cause of inflation rested; but he, too, was content to let it appear that increasing farm prices were to blame. The President must have known at least what Leon Henderson knew, and knows, respecting the responsibility for inflation. As recently as last June or July, Mr. Henderson said that:

Concurrently with a reduction of 1 percent a month in civilian production there has been a rise of about 1.9 billion dollars per month available in the spendable income, of which roughly 1.5 billion dollars is increase in wages.

The wages to which Henderson referred are not farm wages. Yet the American public is caused to go on believing that the force and influence behind the present inflation trend is the selfish, greedy farmer of America. There is not the slightest excuse or reason for these thrusts being made against the farmer and against farm prices, as the occasion for a base from which dangerous inflation will spring.

TEMPEST IN TEAPOT

Let us look at very well-established facts. The junior Senator from Kansas [Mr. REED] has called attention to the fact that the measure before us, granting the authorization the President has asked to exercise power in controlling prices, would alter the total cost for farm products in a given year by only a little more than \$15,000,000. This study reveals that the estimated 1942 sales of farm commodities, if all were sold for the maximum price available under the January price-control legislation, would bring the American farmer \$13,933,000,000, and that the maximum available under the measure now pending and asked for by the President in his unprecedented challenge to Congress would be \$13,918,000,000, only a little less than one nine-hundredth as much as could be the maximum received by the farmer under existing law, but nevertheless \$759,000,000 more than will be the farmers' actual estimated receipts under prices which prevailed last August. All this being true, what is Mr. Farmer to think of the degree of seriousness which accompanies this alleged undertaking to reduce prices? Is this whole effort just so much play? Is it a move to cover up, and to blind the American people to the real cause which is contributing to inflation?

PARITY AND FAIR PLAY

I shall not here undertake to demonstrate the comparison of prices paid the farmer in the last war with the prices available to him now. It is well recognized that his reward then was far beyond that which he receives now, where he is quite content to have what he received in purchasing power and ability on the average for the 5 years from 1909 to 1914, that period which became basic to the determination of the thing called parity prices. If he receives that thing called a parity price, observe, if you dare, what the actual reward is for those who are producing the very first essentials of livelihood. Under that formula the farmer would have an income this year amounting to between 10 and 13 percent of the total national income for the year, irrespective of the fact that persons on farms constitute more than 22 percent of our total population. What can be said of the justice of a formula called parity which does not approximate for 22 percent of the population approximately 22 percent of the national income?

The farmer is not receiving parity prices even now; yet there are those who would have him looked upon as a selfish individual who does not realize that his country is in the throes of the greatest

emergency of its life, an individual ready to lose the war rather than sacrifice.

CONGRESS AND THE PRESIDENT

On Labor Day the country was led to believe that Congress had failed to meet the challenge of inflation, that Congress was hesitant for political reasons in doing anything that might interfere with the farmer. Let us observe for a moment just what are the facts.

In the price-control law of last January Congress tried to determine fair bases, and gave to the President provisions of law which would enable him and his administrators to hold farm prices within bounds. Parity prices have not been reached with respect to most farm commodities; but in a few cases, including beef cattle and hogs, prices have gone beyond parity. The law we gave the President last January enables him to adjust the price and bring it back to the base provided in the law. But instead of using that power he unloads a Labor Day speech demanding that Congress act, and leaves the impression that he is powerless to act, but will act in a dictatorial way if Congress does not. The facts hardly permit a covering up of the real responsibility for any increases in living costs. Food costs which have gone beyond the parity figure could have been curbed by the President at any time he pleased to use the law we had given him.

INCREASED LIVING COSTS

The farmer has no desire to inflict increased living costs upon consumers. His attitude toward the consumer has always been an understanding one. He does wish that the consumer would reciprocate with equal understanding. The price of a loaf of bread which the consumer buys is in almost insignificant degree determined by the price the farmer receives for his wheat. Because the consumer pays 50 cents or 60 cents for a dozen eggs does not necessarily mean that the farmer gets more than half of it. I am sure that a careful study by the consumer will reveal that his war on living costs is not nearly so much a war with the farmer as it is a war with the processor and those who get the food from the farmer to the consumer's table.

It is often true that an increase of 1 cent in the price paid the farmer for products ultimately becomes an increase of many cents in cost to the consumer. But that is hardly reason to label the farmer a profiteer, a person bent upon getting rich out of the war, when in truth the farmer is up against cost and wage problems which make it much more difficult to balance accounts in this war than was true in peacetime.

Assess responsibility for living costs where they belong. Let the Government deal with equal severity with all factors entering into and influencing price inflation and the farmer will take whatever sacrifice goes with it. But it is highly necessary that there be a quitting of the vicious effort to make the farmer the "goat" for others who are primarily responsible for increasing living costs. We shall never win this war by forcing the farmer to pay the whole bill of balancing living costs when he contributes so com-

paratively little to the increased living costs. I see but one thing to do, at this legislative moment, in the interest of winning the war and I shall do that thing—vote for the Thomas amendment.

EXHIBIT A

[From the Minneapolis Sunday Tribune and Star Journal of September 27, 1942]

MANPOWER LOSS IS HELD PERIL TO NATION'S FOOD—DAIRYMEN FORCED TO SELL OFF HERDS

(By Donald Brostrom)

America is in for a collective tightening of its belt next year if the flow of manpower away from rural areas into the armed forces and defense industries is allowed to continue, a survey of farm opinion revealed Saturday.

Coming at a time when the Government has requested the Nation's farmers to accelerate output of grains, livestock, and dairy products, the threatened shortage will toss a wrench into the United Nations' victory machinery unless corrective measures are taken immediately, Northwest farm owners agree.

Livestock experts at the south St. Paul yards, who have discussed the problem with hundreds of shippers, point out there probably will not be enough milk, cream, butter, and cheese to meet ever-increasing military and civilian needs if the present trend is allowed to continue.

Cattle receipts at south St. Paul, second largest livestock market in the world, are up around 20 percent over the 1941 total of 1,060,478, according to W. D. Gardner, public relations head for the Central Cooperative Association.

Although part of this increase undoubtedly is caused by the growing war need, much of it can be traced to almost unprecedented sale of dairy cattle for slaughter, Gardner declared.

It is this movement that threatens to bring about the shortage of dairy products.

The dairy cattle "buy" has increased an estimated 25 percent thus far in 1942, says Earl N. Quick, head of the dairy cattle department for the Central Cooperative Association of south St. Paul and a livestock authority.

Quick, who is said to have supervised purchase and sale of more dairy cattle than anyone in the United States, declared the shortage of farm help is directly responsible for the condition.

"Dairymen are reducing herds because they are unable to hire farm assistance," he said. "The draft is taking their sons and they are unable to handle the farm work alone.

"An unusually large number of 'springers'—dairy cattle with unborn calves—are moving through the yards on the way to slaughter. Normally, these 'springers' are resold to farmers for further production of vitally needed food. At present, our local sales are decidedly down," Quick said.

It is apparent an abnormal kill of "springers" cuts off a potential food supply since the unborn calves are destroyed in the process of slaughter.

Cattlemen from diversified areas agree the labor shortage is a distinct threat to America's food supply.

C. L. Anderson, manager of the Farwell Shipping Association, at Farwell, Minn., in Pope County, and a veteran cattle shipper, declared effects of the present situation will become apparent next year. Farmers in his area are reducing dairy herds simply because they cannot cope with the work, he said.

A similar opinion was that of L. J. Erickson, a trucker from Skyberg, Minn., in Goodhue County. Erickson asserted he had noted a decided reduction of dairy cattle throughout southeastern Minnesota.

Wisconsin, with Minnesota the country's No. 1 dairy product center, also has felt the labor pinch, according to Lawrence Springsteen, trucker from Emerald, in western Wisconsin.

"Although farm youths were deferred until completion of the harvest, they are being drafted now," Springsteen said. "Many dairymen are closing out, or at least reducing herds."

Typical expression was that of George L. Barrett, of Clearwater, Minn., near St. Cloud. Barrett sold three "springers" at south St. Paul last week and plans to dispose of more because of the labor scarcity.

"I usually milk from 25 to 30 cows but have cut down to 20 now," he said. "I have two sons in the service and another about to leave. When he leaves, I will be left alone."

Joe Gill, Belle Plain farmer, figures he may be stumped in his search for a hired man after his son is drafted, largely because farm help has been absorbed by defense industries and the armed forces.

"Some farmers are trimming herds by as much as half," he said.

With no apparent solution in sight, the problem promises to become more acute if the draft limit is lowered to include 18 and 19-year-olds, some farmers feared.

Thus is the anomalous situation of a prospective slash in dairy production at a time when America needs all the food it can muster.

EXHIBIT B

[From the St. Paul Pioneer Press of September 27, 1942]

1943 CROPS WILL SHRINK UNLESS LABOR SHORTAGE IS SOLVED, SURVEY SHOWS

CHICAGO.—Soldiers, society women, co-eds, convicts, and cooks have stepped into rural America's battle of food production in an effort to offset a serious shortage of skilled hands.

Fort Niagara troopers plucked peaches in New York. Boy Scouts dug potatoes in Maine. Domestic servants in Newellton, La., were given half days off to pick cotton. Girls jockeyed tractors in Oklahoma, Minnesota, and South Dakota.

Volunteers from Japanese relocation centers were used in Arizona and others in Montana and Wyoming. Idaho businessmen, who closed their stores and joined their staffs and school kids in the fields, were credited with saving "hundreds of farmers and orchardists from bankruptcy."

Washington State employees and inmates of State institutions put in more than 75,000 hours of chores. City folk worked night shifts in canneries. Men from prisons gathered grapes in California. The 52 members of the Greeley State Teachers College football squad in Colorado practiced in the morning—went about agricultural tasks in the afternoon. Their coach pulled onions.

The reason for the strange spectacles is a farm-labor shortage.

To get definite data on the scope and stringency of the situation Wide World news-men questioned State agricultural commissioners or corresponding officials across the Nation. The information they obtained could be summarized thus today:

Farm-labor shortages were reported in 42 States. They were termed "serious" in 13 of them.

The most-mentioned causes were high wages which draw workers to war plants (38 times), and men entering the armed forces (37 times) during a period of huge crop quotas and heavy yields.

In 31 States curtailed 1943 production was predicted unless the labor deficiency is relieved.

Most frequently recommended remedy (17 times) was this: Draft boards should defer,

or at least give more favorable consideration to, essential farm hands. Five spokesmen suggested farm prices should be increased to enable farmers to meet industrial pay competition. A few maintained farm workers should be allocated on a par with industrial workers.

While the statistics were being compiled, Secretary of Agriculture Wickard warned that the United States will face a food shortage unless it solves quickly the problem of manning the farms. He estimated the armed forces and factories may drain off approximately 2,000,000 farm workers by the end of 1942, in addition to those who already have gone.

The supply of farm hands in some States has dwindled to an alarming degree. As of July 1, it was calculated at 62 percent of normal in Kansas, 56 percent of normal (lowest on record) in Maryland, 60 percent of normal in Georgia, and the "worst since the First World War" in Oklahoma.

Unless corrective measures are taken, officials reckoned 1943 production would be cut seriously in Pennsylvania, be slashed at least a third in Georgia, and possibly drop 50 percent in Oklahoma.

On the other extreme was Kentucky, where work reserves drawn from the mountains proved sufficiently large to fill the needs of other counties and to provide 750 men for other States.

Some of the experts were inclined to concentrate on 1942 problems before pondering those of next year. Mississippi's commissioner of agriculture, Si Corley, commented: "We'll be lucky to get this crop in."

Considerable spoilage of potato, tomato, apple, and melon crops was reported in Ohio, although growers offered wages double those of a year ago. Most of the bumper growth of prairie hay in the range country of South Dakota won't be cut because of the lack of help.

Iowa expected that "a lot of corn" won't be picked until next spring. Vermont advised that good farms had been abandoned temporarily, and stock had been sold because the owners had left for the war, or had insufficient aid.

W. Kerr Scott, North Carolina's agriculture commissioner, stated some fields were unharvested and that work was hampered by a shortage of farm machinery. He added: "There is not a hay loader or mowing machine available in the hands of any farm machinery dealer in North Carolina."

Deputy Agriculture Commissioner Lawrence O'Neill of Michigan said many farmers are thinking of turning their fields to pasture in 1943. A check by the Kansas United States Department of Agriculture War Board indicated approximately 193,000 acres of farm land would be idle next year—52.2 percent abandoned because of selective service, and 35.2 percent because of the attraction of war industries.

To get the crops in this year scores of schools released students from classes. Businessmen and other urbanites helped, too. Women played an important part—in South Dakota they made up 17 percent of the labor force. But in many districts the back-to-the-good-earth march of the white collar people was regarded as more spectacular than effective.

The farmers helped themselves and each other. In some instances planters and their wives worked after dark with lanterns hooked on the tractors. They shared labor and pooled machinery.

Among the steps suggested for 1943 are these:

Training of women, children, and men physically unfit for the Army.

Central labor clearing houses in each county.

Manufacture of more labor-saving machinery.

Use of State road maintenance crews, old age pensioners, conscientious objectors, convicts, and soldiers during critical harvest periods.

Greater use of Japanese and imported Mexican labor.

And Iowa's secretary of agriculture, Mark G. Thornburg, proposed:

"Young men who stay voluntarily or are given deferment to help on farms should be given some recognition so people can't point the finger at them and make them feel like slackers."

Mr. MAYBANK. Mr. President, I appreciate the fact that it is desired to vote on the joint resolution this afternoon. I shall speak for only a few moments.

First, as one who has been associated with farmers all my life, let me say that they have no better friend. During my administration as Governor of South Carolina many laws were passed and carried out for the improvement of farming conditions. In many instances the conditions were improved by laws passed by Congress, which made possible appropriations for such useful things as rural electrification, rural housing, and many other things for which President Roosevelt and this administration are responsible. Many other laws for the benefit of the farmer—laws pertaining to seed loans, inspections, and other matters—were also passed.

When the pending measure first came to the Senate and when I gave consideration to it I had been absent from the Senate. I had been at home with the farmers and with the people of my State while the committee meetings were being held. I thought that the joint resolution did not contain sufficient provision for the farmers, and I would have voted against it. However, after studying the amendment which was offered by the distinguished senior Senator from Oklahoma [Mr. THOMAS] and the distinguished senior Senator from New Mexico [Mr. HATCH], after studying the amendment introduced as a substitute by the senior Senator from Kentucky [Mr. BARKLEY], an amendment which I understand was prepared by the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Kansas [Mr. REED], and the Senator from Maryland [Mr. TYDINGS], and after giving thought to the entire situation, and with the knowledge that today this country's prime necessity is for unity, there being in my opinion no difference in the amendments, I propose to vote for the Barkley amendment. Every farmer in my State is interested first in winning the war and in getting his boy home.

I heard the draft brought into the debate. Let me say that neither General Hershey nor anyone else can tell how many farmers' sons are in the armed services. They can state only the figures relative to the ones who have been called through the selective service boards. As the head of the South Carolina Selective Service Board last year, because I was Governor of South Carolina, I can state that more farmers' sons volunteered than did the sons of any other group of citizens. The farmers' boys are in the Army and in the Navy. Their desire is first to win the war.

Let me conclude by saying that knowing, as I do, the necessity of providing the farmers with better protection than that which would be afforded by either of the amendments or by the pending joint resolution, it is my hope that our Commander in Chief, in his wisdom, will give thought to everything which has been said here, particularly that the farmer has been done an injustice on the radio, in the press, by the bureaucrats. The farmer has been done an injustice in not being given proper consideration. Because I know that the interest of our Commander in Chief is also the farmers' interest, I hope that after the passage of the measure arrangements can be made so that our Commander in Chief, with his wisdom and foresight, will so arrange matters that the farmers will be able to secure whatever labor they may need. Certainly, Mr. President, I hope the farmers will get a square deal and will be able to go forward and do the work required to be done in order to feed their sons who are in foreign lands. In that way we shall be able to move forward to win the war.

I have enjoyed listening to the debate on the pending measure. As the distinguished senior Senator from Oklahoma [Mr. THOMAS] has said, I think that his amendment serves the great purpose of calling these matters to the attention of the country.

For the good of unity, for the sake of harmony, and in order that all of us may be together and fight together, and not be divided, I hope that the substitute amendment will be agreed to. I intend to vote for it.

Mr. LA FOLLETTE. Mr. President, I realize that at this last stage in the proceedings of this debate I cannot add much to what has been said pro and con relative to the vital issues which I believe are at stake. I wish to say at the outset that I repudiate without equivocation the extraordinary doctrine enunciated in the message of the Chief Executive delivered to the Congress on the 7th day of September. He does not have legislative power under the Constitution of the United States or under any statute which this Congress has passed. However, I do not propose to debate that question at this time.

I ask that there be incorporated in the conclusion of my remarks an article signed by me in the Progressive dealing with this phase of the question. The article is entitled "This is the Road to Fascism at Home."

There being no objection, the article was ordered to be printed in the Record. (See exhibit 1.)

Mr. LA FOLLETTE. Mr. President, I think it is most unfortunate that the President of the United States has lent his great prestige and the great power of his office to the launching of an attack upon a great producing segment of American society. Anyone who knows farmers at all must be aware that as a group they compare favorably with any other group in our population insofar as their high moral character, their industry, their integrity, and their patriotism are concerned. Whatever else may be said of them, they have during the war

emergency been straining every nerve to meet the production goals set by this administration. It has been my misfortune, Mr. President, to be largely occupied with my official duties in Washington during the past 30 months. I did have an opportunity, however, to go home briefly during the past summer.

Let me say that all anyone had to do was to travel along the highways in my State or to travel by train through the agricultural sections in order to observe that men and women long past the age when they ordinarily would retire from manual labor were out in the fields endeavoring to harvest the bumper crops which the favorable season had provided. Let me say here and now that deep down in my own heart I am convinced that they were not laboring in the fields with any idea of profiting. They were out there endangering their lives—men and women with white hair, doing field work, in an effort to make certain that all the food-stuffs growing upon their land were harvested and utilized to feed their sons who are in the armed services of the country and to feed the civilian population of this Nation and our Allied Nations.

Mr. President, I think it would have been a great mistake for the President of the United States to have attacked the farmers and to have paved the way for newspaper and radio commentators who are ignorant concerning agriculture to second that attack, even if the facts had justified it. However, I say that under no stretch of the imagination can any fair-minded, impartial person read the record of this debate and come to a conclusion that the farmers of the Nation are profiteering. On the contrary, Mr. President, under conditions which now surround the farmers' efforts for production, in most instances they are making sacrifices.

The net effect of these attacks has been to discourage a group of producers in America who should have been encouraged instead of discouraged. At a time when they were straining every nerve, when they were working unconscionably long hours, when they were working every day of the week, 7 days a week, in order to try to carry on production, it was unfortunate that they should have been singled out and pilloried by an attack which was unwarranted. The attack has also had the effect of causing many of them to give up, when otherwise they might have tried to carry on the struggle.

I do not propose to burden the RECORD with correspondence I have received, but I do desire to say that in some of the correspondence there is a note which justifies me in making the statement I have just now made.

I desire to be perfectly frank. I do not think the Thomas-Hatch amendment, the compromise amendment, or 110 percent of parity will solve the manpower problem with which the farmer is confronted today; for, Mr. President, the manpower problem which is the No. 1 problem of the American farmer in his effort to produce for the food-for-victory program is likewise the No. 1 problem of every industrialist, every shipbuilder, and every transportation agency in the

United States. In short, the manpower problem is the No. 1 problem confronting the people of this country, and unless that problem is solved quickly and with wisdom, it will cost us untold disaster in the future.

The manpower muddle, Mr. President, is only one of the many muddles in which the Nation finds itself. The only way I can describe the situation is to picture the United States as being a giant corporation suddenly confronted with an astronomical order unheard of in all its vast operating experience. What has happened? Instead of calling in all the production divisions, instead of calling a meeting of the board of directors, it has seemed to me that each and every division, each and every part of the corporation, has acted independently and tried to fill the order without any consultation and without any master plan. What would you think, Mr. President, of a corporation proceeding in such a way in the face of such a contingency? I feel sure that you would insist that there must be some plan, there must be some coordination in order to meet the staggering problem which is confronted.

Mr. President, the curve of manpower in the Army has been rising steadily. One thing I am sure I know nothing about is military strategy and military tactics.

I do know, however, that with each increment of a million men in the Army the demands upon agricultural and industrial production are vastly increased, and I know that as that increased demand upon agricultural and industrial production rises there comes a point beyond which manpower in the armed forces cannot be expanded without diminishing production on the farm and in the factory.

Already the record is replete with instances indicating that agricultural production is about to fall. I do not wish to belabor a point already made but I desire to call attention to a few statements in relation to my own State.

The Equity Cooperative Livestock Sales Association, which services 40,000 farms in the handling of livestock, reports that the receipts for dairy cattle for August 1942 are 20 percent above those for August 1941, which means that the farmers are slaughtering their dairy cattle because they cannot keep and feed them.

The report shows further that in Madison, the city in which I live, the receipts of milk were down 9½ percent for August 1942 compared with August 1941. This is a good feed year, the pasture has been excellent. The reason is the uncertainty about price ceilings, the shortage of labor, and the problems with which the farmers of my neighborhood are being confronted in trying to produce.

I wish to read a statement from Mr. Kenneth W. Hones, president of the Wisconsin Farmers' Equity Union. He recently made this statement:

On the basis of bumper crop records, loyal American farmers have met the challenge of this year's "vitamins for victory" program. Every farm home deserves the utmost praise for doing this job. However, agricultural production for next year will be a different story. We are fearful of the results.

This year's production goals were met in spite of an acute shortage of farm help. The record was accomplished because farm women and children jumped into the breach; and because of favorable weather conditions. However, there are many farm jobs which women and children cannot do; and the weather is something that even the Government cannot guarantee.

Reports are daily coming into this office which indicate that many farmers are placing their farms on the auction block this fall. Farm auction sales are becoming more prevalent now than during the depression period. Hones cited that in two Wisconsin communities 45 farms will be auctioned off in the next few weeks because farmers cannot see their way clear to operate next year.

From Mr. Ralph Ammon, director of the Wisconsin Department of Agriculture, comes this statement:

American agriculture faces a crisis of a shortage of manpower to meet the goals of food production for 1943.

In Wisconsin this crisis will arrive within 90 days. In other States of the Middle West, not later than spring.

Agriculture is losing manpower to industry and to the armed forces at a rate too rapid to permit any hope of maintaining agricultural output.

There is evidence that many dairy herds will be completely dispersed, some going to the butcher's block. Farmers cannot hire sufficient labor to keep dairy herds in production because they cannot pay wages sufficient to stop the rush of farm labor to industrial and defense plants. Likewise, creameries and cheese factories cannot hold their help.

Today many Wisconsin creameries and cheese factories by necessity are working employees 70 hours a week at half the salary defense-plant workers get for 40 hours per week. Farmers, likewise, are working 70 hours per week for a monthly wage equal to the wages of the defense-plant worker for a 40-hour week.

With ceiling on farm prices the farmer and the dairy plant cannot raise the price of their products, butter and cheese. Unless they increase prices, they cannot increase wages. Unless they increase wages they will lose their men. Then they cannot meet production goals.

Mr. President, one of the able Representatives from Wisconsin, Mr. HULL, who represents a district which is a very large dairy producing area in the State of Wisconsin, and who is very familiar with conditions in that State, made the statement on the floor of the House during the debate on the consideration of the pending measure that in his congressional district alone there were being listed each week 100 sales of stock and machinery owned by dairy farmers in that section of the country.

I desire to read briefly from a letter which I received from Mr. John A. Lidell, who is president of the Twin Ports Cooperative Dairy Association, of Superior, Wis. He says in part:

Dairy farmers, in fact all farmers, are as patriotic as any class of citizens; maybe more so. They are more than willing to do their part in the winning of this war. They, their wives, and children work long hours to produce the food and fiber the Nation needs. Much ado was made over the radio, and otherwise, because shipyards and other war industry plants were going full blast on Labor Day. I heard or saw no mention of the fact that those who worked got double time. Dairy farmers milked their cows on Labor Day, but they did it on straight time,

and I heard or saw no mention of that. Furthermore, they have to milk their cows Saturdays, Sundays, as well as every other day, all at straight time.

Mr. President, I ask that the remainder of this letter be printed in full at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 2.)

Mr. LA FOLLETTE. Mr. President, in view of the situation which our country confronts I think that instead of trying to separate groups, instead of picking out in the population a group such as the farmers or the wage earners and holding them up and saying they are responsible for all these troubles, we should be trying to get the people and the various groups in America to work together. We have a problem of morale if we are to win the war, and I wish to say very frankly that I think the administration has been handling its public relations very badly.

For instance, let us take one attack which has been made upon the citizens of this country—the charge being that they are responsible for inflation through a misuse of their increased spending power. Up to now that has not happened. The people of this country, generally speaking, have made a very wise use of their increased savings. They have been paying their debts, they have been paying their bills, they have been buying some decent clothing for their children, they have been paying their rent, they have been buying bonds, they have been depositing their money in the savings banks. Yet, to hear some of the speeches, and to read some of the releases which are printed in the newspapers, one would think that the people of this country were taking their increased purchasing power and squandering it for wasteful purposes. Such is not the case, and the people have resented it, and they have every right to resent it.

As a matter of fact, the people of the United States are in no such frame of mind as characterized them during the last war. The average citizen fully anticipates that when the war is over there is going to be unshirtd hell to pay for all the people of the United States and the world as well, and most of them, the overwhelming majority of them, are trying in their humble way to prepare to meet that day when it comes.

Mr. President, labor has been a favored target of all who are opposed to organized labor. It has been attacked because there are a few racketeers in labor, as there are in any other group of which I know. Labor has been attacked, it has been pilloried, by those who do not believe in the right of labor to organize and bargain collectively. The enemies of that principle have sought to seize upon this war era as a means of striking down labor in this country. So it has been so far as management is concerned, and last of all they have turned the spotlight of publicity and misrepresentation upon the farmer.

I say, Mr. President, that if we are to win the war we have to get the people of this country together, not merely by

shouting and mouthing unity, but by having statesmanlike policies which will produce unity in the United States—not fake unity, but genuine unity, the kind of unity which comes when men, women, and children realize that they face a Gethsemane, that they face a situation which will test the stamina, the character, the fiber, and the faith of every man, woman, and child in the United States.

Therefore, Mr. President, while I recognize that the pending amendment does not solve the problem of the farmer, I intend to vote for it because I want the farmers of this country to know that, so far as I am concerned, I resent the unjustified attack which has been made upon them, and that, despite the deluge of criticism and misrepresentation in the press and over the radio, there are a few Senators who still have the intestinal fortitude to stand up for a group which they think will do as much as any other to help win the war.

EXHIBIT 1

[From the Progressive of September 19, 1942]

THIS IS THE ROAD TO FASCISM AT HOME—PRESIDENT ROOSEVELT'S DOCTRINE THAT HE HAS THE POWER TO SET ASIDE THE LAW MUST BE REPUDIATED BY CONGRESS AND THE PEOPLE UNLESS WE ARE READY FOR DICTATORSHIP IN AMERICA

(By Senator ROBERT M. LA FOLLETTE, Jr.)

Unless the doctrine enunciated in the President's Labor Day message to Congress is challenged, we have formally entered upon a dark, grim chapter of our national history when the already uncertain light of democracy may go out, perhaps never to be rekindled.

The President's message was more than a threat. He claimed for himself the power to override a law enacted by Congress with or without its consent. He did not come to Congress asking for the necessary authority to deal further with the problem of inflation. In his own words, he simply came to "consult" with Congress. He flatly asserted he had the power to act whether Congress gave him specific authority or not.

To grasp the full import of this declaration it must be remembered that in conferring upon the Executive power to control prices, Congress this very year expressly prohibited the fixing of agricultural prices below certain standards. The President now claims he has the power to act contrary to express laws passed by the Congress only a few months ago.

DECISION IS UP TO THE PEOPLE

This false doctrine, if established, would mean that all laws enacted by Congress and signed by the President could be modified or repealed by him alone, at least in time of war. It would mean that the President needs no enabling legislation from Congress to draft boys 18 and 19 years old. It would mean that he can set his own tax rates without reference to Congress. It would mean he can pass a law by calling in his stenographer and dictating an Executive order.

It is true, he indicated that he preferred to consult with Congress rather than undertake amendment of the price control law entirely on his own authority, but that is a concession to the form of democracy, not the substance. It is democracy exercised only by sufferance of the President. It exists so long as he tolerates it, no longer.

Whether this doctrine stands or not depends in the last analysis upon the view taken by the great mass of public opinion. The President's message recognized that, for at the same time it declared this doctrine, it sought to undermine the public's faith in Congress by unfairly misrepresenting the

record of Congress in meeting the national emergency and charging it with neglect and delay in vital phases of national policy taxes and price control.

UNDERMINING PRESTIGE OF CONGRESS

There has long been a sinister campaign under way in the country to undermine the prestige of Congress and build up the power of the executive branch of the Government. It found a ready expression in the hulla-balloo raised over the X cards extended to Members of Congress, like other Government officials, under the temporary, makeshift gasoline rationing program inaugurated in the East this spring.

Nothing was said about the thousands of X cards issued to officials of the executive branch of the Government, but the press was filled for weeks with a great hue and cry over 500 Members of Congress who were likewise eligible.

The misrepresentation of the proposed extension of the Government pension system was another example of this insidious campaign against Congress as an institution of government. Nothing was said about the benefits proposed or already being received by those in the executive branch.

The Labor Day message of the President, however, marks the first time that the President has lent the dignity of his great office to this campaign. He accused Congress of delay on tax legislation and price control "that has now reached the point of danger to our whole economy."

A LOOK AT THE RECORD

Let us look at the record and see who is responsible for the delay on the tax bill. The attack on Pearl Harbor was made December 7, 1941. It is and has long been customary for Congress to wait upon the recommendations of the Treasury Department before initiating tax legislation. This is a courtesy extended to the executive branch both because the Executive has desired it and because it simplifies the task of writing legislation. The record shows that it was the President's own Treasury Department, not Congress, that delayed the consideration of taxes until March, 3 months after Pearl Harbor.

Ever since that date the Treasury has been changing its position on important questions, thus tending to slow up action on the tax bill. For example, in March when the Treasury officials appeared before the Ways and Means Committee of the House of Representatives, they recommended an individual income-tax scheme based on exemptions of \$1,500 for married couples and \$750 for single persons.

Then 2 months later they reconsidered and came back with another recommendation that the exemptions be reduced to \$1,200 and \$600, with the exemption for dependents from \$400 to \$300. This month they changed their minds again and asked the Senate Finance Committee to reduce them even further to \$1,000, \$500, and \$250, respectively.

ADMINISTRATION'S CONFUSION

In March Secretary Morgenthau opposed compulsory savings, but in September he and his experts suddenly appeared before the Senate Finance Committee with a brand new plan for a "spending tax."

Actually the House Ways and Means Committee and the Senate Finance Committee have worked at a killing pace in attempting to frame a tax bill which will partially meet the most staggering fiscal problem ever to confront a government.

If there has been undue delay, it has not been caused by Congress' neglect. It has been caused by the confusion and the uncertainty of the President's own representatives on the aims and the requirements of the new tax program.

On price control of agricultural commodities there has been an honest difference of judgment between the Congress and the

President. It is not a disagreement over whether or not agricultural prices shall be controlled. Everyone is agreed that they shall be controlled. The disagreement has been on the question of the exact level at which the controls shall be put into operation.

Congress, after extensive study, decided last spring that price ceilings should not be imposed on agricultural commodities until they reach prices equivalent to 110 percent of parity. The President's own Secretary of Agriculture appeared before a congressional committee last fall and justified the 110 percent level with these words:

"There is a perfectly practical and obvious reason for stipulating that no ceiling should be imposed on farm products at less than 110 percent of parity, rather than exactly at parity. As every farmer knows, farm products' prices fluctuate every day. * * * If ceilings were placed exactly at parity the daily fluctuations in the market would necessarily be between parity and some lower figure, and, as a result, farmers could not possibly average parity.

"The real purpose of restricting ceilings to a point somewhat above parity is to make it reasonably sure that all farmers will have an opportunity to get parity. After all, it happens to be the expressed policy of Congress and the administration to achieve and maintain prices at parity."

F. D. R. SWITCHES HIS POSITION

Congress, after due consideration, adopted the limits recommended by the President's Secretary of Agriculture. The President took issue with this decision in April but he waited until Labor Day to renew his request for a change in the price-control law. In the face of this record he accused Congress of dangerous delay and threatened to act himself if Congress does not accept his conclusion.

In his recent message he recognized the inadequacy of the parity formula in measuring the fair price which the farmer is entitled to because it does not cover the tremendous increase in the cost of farm labor in recent years. The labor cost is a part of the farmer's cost of production which has diminished the farmer's net return.

The President said the cost of labor should be included in computing parity, but later in the same message he urged that the present method of the Bureau of Agricultural Economics should be continued under "the law as it stands today." The "law as it stands today" does not include the cost of farm labor in the parity formula.

The treatment which Congress has prescribed for agricultural commodities under the Emergency Price Control Act was not discriminatory; it was a sincere and conscientious effort to give the American farmer the first fair and equal chance he has had in 25 years to enter the Nation's market places on even terms with the manufacturer.

FARM INCOME STILL LAGS

The fact that the general public in the urban communities has become accustomed in that long period to unjustly low farm prices, has made them no easier for the farmer to bear. Through the years when city people enjoyed these low prices for farm products, the farmers experienced waves of foreclosures that swept repeatedly through our agricultural areas, thus forcing thousands of hard-working farm families off the land and into the cities where sub-standard living or charity awaited them.

These low farm prices in past years contributed to the phenomenal increase of farm tenancy in the Nation. They produced a steady deterioration of the farmer's standard of living. Today farm prices have risen to only 107 percent of parity.

Since 1939 corporate profits have risen 169 percent. Wages and salaries have risen 32 percent. Farm prices have risen 29 percent.

Our farmers are just as patriotic as any

group of American citizens. They are willing to do their share. They are willing to sacrifice as much as any group. But they object to being kept down while other elements in the population are enjoying a much greater slice of the national income.

DOCTRINE MUST BE REJECTED

Nevertheless, it is the duty of Congress to give impartial study to the President's message despite the threat which it contains. Likewise, it should act promptly and without undue delay. Only thus can we maintain the war effort.

Above all, however, Congress for the sake of democracy cannot give to the President blanket authority. It must make certain that the terms and conditions of the exercise of power are definitely specified. In performing its function as a coordinate branch of government, Congress must make plain that it repudiates the doctrine contained in the Labor Day message, that the President has the power alone to modify, make, or repeal the laws of the land.

Think what you will of your individual Congressman or Senator, but as an American citizen do not be betrayed into a repudiation of Congress as a representative institution in our democracy because if that ever happens, you are at the end of the road to fascism and dictatorship.

EXHIBIT 2

TWIN PORTS COOPERATIVE DAIRY ASSOCIATION, INC.,

Superior, Wis., September 12, 1942.
The Honorable ROBERT M. LA FOLLETTE,
Senate Office, Washington, D. C.

DEAR MR. LA FOLLETTE: The President's Labor Day fireside chat unquestionably and unjustly placed on the doorsteps of the farmers of this Nation all blame and responsibility for inflation.

High wages permitted in war-industry plants and spreading to all plants, and not agricultural prices, is the primary cause for any inflation that has already taken place. I am sure you know that to be a fact.

I am sure the President also knows it, and furthermore knows he is personally responsible for no action as yet being taken to keep wages from spiraling upward as they have.

Dairy farmers, in fact, all farmers are as patriotic as any class of citizens. Maybe more so. They are more than willing to do their part in the winning of this war. They, their wives, and children work long hours to produce the food and fiber this Nation needs. Much ado was made over the radio, and otherwise, because shipyards and other war-industry plants were going full blast on Labor Day. I heard or saw no mention of the fact that those who worked got double time. Dairy farmers milked their cows on Labor Day, but they did it on straight time, and I heard or saw no mention of that. Furthermore, they have to milk their cows Saturdays, Sundays, as well as every other day, all at straight time.

Many dairy farmers are leaving their farms for defense jobs where they can make more money than they can milking cows. The older men, the women, and children remaining on family sized dairy farms cannot produce the milk this Nation needs. Present prices or parity prices do not permit dairy farmers to hire help. In other words, dairy farmers cannot match nickels with Uncle Sam in competition for labor.

Parity is not the standard for the maintenance of good farm prices. Parity prices might have been considered good in the depression year of 1933, but not now. Times have changed, as you very well know. Does the President know that the present parity formula does not include labor costs? Does the President know that labor costs represent about 30 percent of the total cost of producing milk? Does the President know that already many large herds, where hired help

is a necessity, have been sold because of the inability of the owner to maintain labor, in competition with industry, at past and present prices of dairy products? Does the President know that every month from now on we will see more and more of these large herds being sold, and the majority of the cows sent to be slaughtered, rather than being retained for production because of the disparity between labor costs, and dairy products prices? Does the President really believe and intend to put into effect a price policy for agricultural products that will give agriculture a standard of living equal to that of 30 years ago?

A standard of living equal to that of 30 years ago is the true definition of parity. Certainly the President has never indicated that a standard of living for the city worker equal to that of 30 years ago is good enough for labor now. How can the President justify returns to labor that now would give labor the highest standard of living ever conceived of in this country, if they were permitted to spend their money in the usual way, and at the same time say to Mr. Farmer, "You must be satisfied to go back to the horse-and-buggy days," the days when there were no radios, no electrical appliances, no tractors, nothing that represents 30 years of industrial progress, except higher taxes for the farmer. Certainly the President has been badly misinformed.

Who told the President "100 percent of parity has been accepted as a fair standard for agricultural prices"? Was it the Grange, the Farmers Union, the Farm Bureau, or who? Did the President intend dairy products prices were to be included in such a price formula? I don't think any one of the above organizations would accept the responsibility of selling the dairy industry "down the river" on any such basis.

I am in no position to speak for agriculture as a whole. I do not know the situation with respect to the corn and hog farmers or the wheat and the cotton farmers, etc., but I do feel qualified to speak for dairy farmers.

I know the dairy situation in this locality. I know a number of herds already have been sold because of the drafting of farm boys and the inability to obtain help in competition with industrial wages being paid. I know more herds are going to be sold for slaughter for the same reason. I know this is going to result in a marked decrease in the production of milk in this area. I know these same conditions prevail throughout the entire United States. I am convinced that in 1943 the production of milk in this country is going to show a very decided decrease. I am convinced that this decrease throughout this Nation during the next few months, unless some remedial action is taken at once, will result in very drastic rationing of all dairy products, including fluid milk, if our lend-lease obligations and our Army and Navy requirements are to be anywhere near fulfilled.

The only remedial action that the dairy farmer can understand, and will pay any attention to, is guaranteed minimum prices. Such minimum prices must be sufficiently higher than now prevail as will make it possible for them to hire help in competition with other industries, and at the same time act as an incentive to dairy farmers to extend their efforts to the extreme maximum in the production of more and more milk. These guaranteed minimum prices must furthermore be assured to the dairy industry, not only during the period of the war, but for a long enough period thereafter to absorb the shock of reduced prices when the demand for lend-lease and Army and Navy requirements cease or materially dwindle.

Promises by the President to raise dairy products prices gradually, or at some future date, mean nothing to dairy farmers. Neither does the promise made by the President in his radio address that "At the same

time farm prices are stabilized, I will stabilize wages." The President has made too many promises, not only to agriculture, but to the Nation, that have not been fulfilled. Furthermore, the dairy farmers in this vicinity would like to know what the President meant by stabilizing wages and stabilizing farm prices. They would like to know whether he meant that farm prices and wages would both be stabilized at the present levels. Such action would be positively unfair to agriculture. From the trend of the President's talk, dairy farmers in this vicinity are of the opinion he meant he would stabilize farm prices at lower levels and wages at higher levels. Present agricultural prices and the trend of wages in this country do not indicate that it is the President's intention to put agriculture on an equality basis with labor. To do so, the level of agricultural prices would have to be raised, and wages reduced.

I know you know that the slogan "Food will win the war" is as true in this war as it was in World War No. 1. I know you will exert every possible effort to see to it that agriculture, particularly dairy farmers, are given an opportunity to do their part in the production of milk that is so drastically needed, not only by this Nation but needed by our Allies in the prosecution of this war. I know you realize that when this war is over, we are going to have a world of underfed, undernourished, yes, millions of starving human beings that will need dairy products. I am sure you know that it will be the obligation of this Nation, not only to supply enormous quantities of dairy products to these starving people for months, yes, years after the war is over, but at the same time, foreign countries are going to look to this Nation for the foundation stock to rebuild dairy herds that have been slaughtered by the devastation that has and will take place in Europe.

Every effort must be exerted to the end that the larger herds as well as the herds on family-sized farms must be maintained. Otherwise, this country will fail in its obligation, not only to our own people, but to our Allies and to our foes as well.

I believe it is my duty as one of the representatives of the dairy farmers to bring these facts to your attention, not with the thought that you are not familiar with the situation, but to emphasize in your mind that these facts, and facts of this nature, must be brought to the attention of the President, the Congress, and the Nation as a whole.

Sincerely yours,

JOHN A. LIDELL,
President of the Twin Ports
Cooperative Dairy Association.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS] to the amendment of the committee as amended.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Butler	Gerry
Andrews	Byrd	Gillette
Austin	Capper	Green
Bailey	Caraway	Guffey
Ball	Chandler	Gurney
Bankhead	Chavez	Hatch
Barbour	Clark, Idaho	Hayden
Barkley	Clark, Mo.	Herring
Bilbo	Connally	Hill
Bone	Danaher	Holman
Brewster	Davis	Johnson, Calif.
Brooks	Dwayne	Johnson, Colo.
Brown	Doxey	Kilgore
Bunker	Ellender	La Follette
Burton	George	Langer

Lee	O'Mahoney	Thomas, Okla.
Lodge	Overton	Thomas, Utah
Lucas	Pepper	Tobey
McCarran	Radcliffe	Tunnell
McFarland	Reed	Tydings
McKellar	Reynolds	Vandenberg
McNary	Rosier	Van Nuys
Maloney	Russell	Wagner
Maybank	Schwartz	Wallgren
Mead	Shipstead	Walsh
Millikin	Smathers	Wheeler
Murdock	Smith	White
Murray	Spencer	Wiley
Norris	Stewart	Willis
Nye	Taft	
O'Daniel	Thomas, Idaho	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present.

Mr. THOMAS of Oklahoma. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. As I understand, the yeas and nays have been ordered on the pending amendment.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. THOMAS of Oklahoma. Under the rule, in order to modify my amendment, I will have to ask unanimous consent, will I not?

The PRESIDING OFFICER. The Chair is of opinion that the Senator will have to ask unanimous consent.

Mr. THOMAS of Oklahoma. I desire to modify the amendment so as to make it conform word for word and comma for comma with the amendment adopted by the House of Representatives. In order to do that, in the first line of the amendment of the Senator from New Mexico and myself we will have to change the word "section" to "act." I ask unanimous consent to so modify the amendment as to change the word "section" to "act."

The PRESIDING OFFICER. Is there objection?

Mr. BARKLEY. Reserving the right to object, that in no way changes the substance of the amendment, but makes it conform with the House amendment which was agreed to?

Mr. THOMAS of Oklahoma. My purpose in asking unanimous consent is to make the amendment conform in toto with the House amendment. Whether or not it would change the effect of the law is another question.

Mr. BARKLEY. Of course, the Senator realizes that it may become necessary, before the joint resolution shall be disposed of, to take up the House joint resolution and substitute the language of the Senate joint resolution for that of the House.

Mr. THOMAS of Oklahoma. In that situation, if our amendment should become a part of the Senate joint resolution, the language being in the House joint resolution, this particular amendment would not be subject to change by the conferees, if it should remain in the joint resolution. I think the Senator from Kentucky will agree to that.

Mr. BARKLEY. I realize that. I have no objection to the mere changing of the word "section" to "act," inasmuch as it does not change the substance of the amendment offered by the Senator from Oklahoma.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma that his amendment be modified as suggested by him? No objection is heard, and the modification is made.

Mr. NORRIS. Mr. President, as I understand the parliamentary situation at the present time, the real issue is the contest between the so-called Thomas amendment and the so-called substitute amendment, which has not as yet been offered, and cannot be offered until the Thomas amendment is disposed of.

I was one of the Senators who favored the Thomas amendment. When the substitute which is to be offered was read at the desk a few days ago, it struck me as being an improvement over the Thomas amendment. I reached the conclusion that, as between the two amendments, I preferred the substitute. Of course, under the parliamentary situation we cannot reach the substitute or have a vote on it until we have first disposed of the Thomas amendment. Then the substitute will be in order, regardless of whether or not the Thomas amendment is adopted.

Mr. President, I desire briefly to express to the Senate my reasons for preferring the substitute amendment to the Thomas amendment. In the first place, I believe that all Senators as well as the people throughout the country are trying in every way they can to prevent inflation. There are those in whose judgment I have great confidence who are not afraid of inflation, but, frankly, I am afraid of it. I realize the disastrous effects of uncontrolled inflation and I am therefore very much in favor of some of the provisions of the pending joint resolution because I believe they reach something which must be reached, in my opinion, if we are to control inflation. There are other amendments, one of which I shall offer later, which I believe will likewise have a very material effect upon inflation.

Mr. President, I realize that the position I now take may not be correct, and that men of greater ability than I possess do not agree with me as to the dangers of inflation. First I wish to say, that rightly or wrongly, and I think rightly, we have undertaken to control inflation by the control of prices. With that idea in mind we passed the Price Control Act. If we undertake to control prices and control inflation we must, as I see it, control the price of every item that enters into the cost of living. If we do not do that, if we leave out any material element, our efforts will be in vain. One of the things that I think it necessary to control is wages, and I believe, judging from letters I have received, that farmers all over the country, through their various organizations, without exception have from time to time made that assertion. Unless Congress passes the pending joint resolution there will be no power given the President to control wages; at least we could only with very sincere doubt construe the present law as giving the President such authority. The measure now before us represents the first statutory authorization to control wages.

Mr. President, I believe it is generally understood, at least reports I have re-

ceived from persons who I think are able to testify on the subject, indicate that if we pass the joint resolution with the Thomas amendment in it, it will be vetoed by the President of the United States. Under ordinary circumstances, in peacetime, Mr. President, that would not concern me. I would say, "I am doing my duty as I see it; the President is going to do his as he sees it, and if our actions conflict, let the conflict occur, whatever it may be."

In time of war, however, Mr. President, I do not feel that way. I feel that if we are to win the war within a reasonable time, we must present a solid front to the world; we must not let it be thought that there is discord within the Government of the United States in respect to the war effort. We must all be willing to make the necessary sacrifices which will bring about a united, solid front.

Mr. President, when we disagree with another department of government, we may think, and, of course, I take it for granted we do think, we are right. We may say we will take the position which we believe is right, and we will do what we believe to be the proper thing to do, and if our action brings a veto, let it come. I believe it is acknowledged—I think there is no dispute about it—that if the President vetoes the joint resolution, there are not sufficient votes to pass it over his veto. In view of the terrible conditions which confront our country I do not feel that we should go so far as to bring about a veto of the measure, if we can honorably prevent it.

Mr. President, how are we going to prevent it? If the substitute amendment is agreed to and becomes part of the measure, undoubtedly it will receive the signature of the Chief Executive. I understand the substitute is offered by gentlemen who usually represent the administration, and I think they understand and believe, and I have heard nothing to the contrary, that the substitute amendment will not be objectionable to the President.

Someone may say, "That is not the way the Senate should act. The President is wrong." If we pass a measure and the President vetoes it, of course we are in disagreement about the measure. Ordinarily such disagreement is not of very much consequence, but it is at such a time as this when a united front is essential to a successful carrying on of the war effort. I do not mean that we should surrender any principle. I do not mean that we should surrender our rights, but if a sacrifice is necessary, we have no right to say that we will accept only such a sacrifice as is represented by the acceptance of the measure as we wish to pass it, without any change whatever. Sacrifice must come from us as well as from anyone else. I think a sacrifice was made in the substitute amendment. If the provisions of the substitute amendment are carried out in good faith, as I assume they will be, they will bring about as great relief as the Thomas amendment itself would.

Mr. President, we have no right to say that no one else has made a sacrifice in this connection. In the face of the desperate struggle which confronts the world today, upon which civilization de-

pends, upon which the freedom of our children and of unborn generations depends, we must make a sacrifice. A disaster to our arms at this time, our defeat, would mean slavery for our dependents. I cannot exaggerate the misery and the sorrow and the agony which would be involved in such a defeat. It would be a thousand times worse than death itself.

Mr. President, if we are going to have a sacrifice, as I believe we must have, it behooves every Senator in respect to the pending legislation to search out his own heart and see whether he can find anything wrong with himself, whether he can knock off the corners, and smooth them out, whether he can sacrifice something which he cherishes and which we all cherish as dear to our hearts, in order to bring about harmony and a solid front. If we are not willing to do that, then it seems to me we are not willing to make the sacrifices necessary in the present war effort. It seems to me we cannot simply say we are right and that the President is wrong. Perhaps we are right. But if we are right and the President is wrong, and the change he asks is not a fundamental one, we ought to be willing to make it rather than to disorganize our forces in the face of the enemy.

Therefore it seems to me, considered on a rather selfish basis, perhaps, that if it be true that the Thomas amendment will bring about a veto, whereas the adoption of the substitute amendment will not, and if it is further true, as I believe it to be, that there is very little difference between the effect of the two, we should make the sacrifice involved. The author of one of the amendments was asked yesterday on the floor of the Senate what the difference was between the two amendments, and he said the difference is the difference between tweedledum and tweedledee.

If that be the case, then it seems to me that even though we contend and believe that we are honest and fair, and that we have gone far enough, still if we cannot otherwise reach unity we ought to be willing to sacrifice still more to bring about unity.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. SMITH. If all these dire calamities would result from adopting the Thomas amendment, and a majority of this body should vote for it, does not the Senator think that some sacrifice should be made at both ends of the Avenue?

Mr. NORRIS. Of course I do. I believe that the Thomas amendment is right, or I would not be for it. I think there is something better in sight, and that is the substitute amendment. Standing between the two, without any sacrifice whatever, I should prefer the substitute to the Thomas amendment; but if I did not, if I preferred the Thomas amendment, I should vote for the substitute instead if in that way I could bring about or tend to bring about a united front.

The question is asked whether the other fellow should not sacrifice something. Of course he should. But suppose he does not do it. I think he has

done so in this case; but admitting for the sake of argument that he has not, suppose we believe that we are the only ones who are making the sacrifice, and that nobody else is making it; history will demonstrate the righteousness of our course if we are still willing to sacrifice, if we are still willing to go further to bring about a united front.

As a practical matter, suppose we should agree to the Thomas amendment and it should result in the joint resolution being vetoed. What would become of the control of inflation? Where would the legislative power then be to control wages, which it is necessary to do in order to control inflation? It would go out the window. We should lose it all. So the farmers, by accepting the substitute amendment instead of the Thomas amendment, would not be losing everything. The joint resolution contains authority for control of wages, something for which they have been rightfully clamoring for many months. If we should vote the other way and the joint resolution should be vetoed, wages would be uncontrolled, at least with any certainty.

There is serious doubt as to whether the Price Control Act, which we passed some time ago, gave the President the power to control wages. We have heard it said on the floor of the Senate today that that act contains no authority to the President to control wages.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. NORRIS. I shall be glad to yield in a moment.

I have grave doubt of it myself. When the President said he was going to act without submitting the matter to Congress, I said publicly that that was a mistake on the part of the President. Even though he has the power, he ought not to exercise it, but should submit the matter to Congress and let Congress give him the authority, so long as there is doubt about his authority.

If in our enthusiasm to make the Thomas amendment a part of the law we lose the opportunity of obtaining the Thomas amendment or the control of wages, which means the control of inflation, how can we excuse ourselves under those circumstances if we fail to adopt the substitute amendment instead of the Thomas amendment?

I now yield to the Senator from South Carolina.

Mr. SMITH. I wished to remind the Senator that I was under the impression that the edict had gone forth that if we did not take action the President would. Therefore, if we fail to act, he will act.

Mr. NORRIS. Probably. I said that I thought the President had made a mistake when he said that, even if he had the authority. He made Senators angry. The Senator's interruption of me is an illustration of it. Other Senators feel the same way. They cannot be greatly blamed. It was stated by various Senators that that was a position which the President should not take, in due respect to the Congress. I say that whether or not he had a right to take it, I thought it was very unwise to assume it under all

the circumstances, because I feared just what has happened. I feared that many Senators and Representatives would say, "He is trying to force something down our throats. He is a dictator. He is trying to throw the Senate and the House out the window. He wants to run the whole show by himself." Have we not heard words to that effect ever since? There is considerable feeling about the question, which takes away the possibility of obtaining unity.

When the President submitted the matter to us in a message I hailed it with much delight. I say to the Senate that whether we like the way he did it or not is not very material. I should like to have the President be as courteous as possible toward us. However, he is not courteous toward us. Are we going to throw out the window the control of wages and the stopping of inflation because we back up into a corner and say, "We defy you; we stand on solid rock; we are right and you are wrong; if there is any sacrifice you make it. We will not." That is an attitude which will not win this war. It will never result in a solid front.

I submit that it is the duty of every American citizen who is anxious to win the war to make sacrifices. That means all of us. That means every Senator and every Member of the other House. If that is what we want, we must be willing to sacrifice. We must find out where we can sacrifice, and present a solid front to the enemy.

Mr. President, I know that that kind of talk will not please many honest persons who think that we have gone as far as we can, and that we should go no further. If a soldier on the battlefield should make such statements we would not win many victories on the battlefield. We cannot win victories unless we present a more willing front than that.

As I see it, there is not enough difference between the two proposals to quibble about them. I believe that the Senator from Kansas was nearly right when he said that the difference was the difference between tweedledum and tweedledee.

It may be asked, What right has the President to veto one proposal and not the other? Probably none. I am not defending the President. I do not know whether he would veto either proposal. I have the knowledge which I presume other Senators have who heard it said—and I believe it to be true—that he would veto the joint resolution if the Thomas amendment were included in it, and that he would not veto it if the substitute amendment were in it.

The joint resolution with the substitute amendment in it would control inflation if it were signed by the President, and it would control wages. I believe that any student must reach the conclusion that wages must be controlled if we are to stop inflation. Inflation usually starts when wages begin to spiral and go skyward. Wages represent one of the most important factors; and it is necessary to control wages if we are to prevent inflation. I do not believe we can prevent it unless we can control wages.

Mr. President, I wish to say a word about several other matters which have

been debated. They are important. There is dissatisfaction among the farmers because the farmer is losing his help. Such dissatisfaction is countrywide. I do not believe that Senators have exaggerated that story in the least. However, the proposed legislation would not change that situation. Suppose we had the Thomas amendment now in the law, printed in capital letters. Would it stop the effect of taking boys from the farm into the Army to such an extent that not enough competent men are left on the farms to produce the food which is necessary? It would have no effect.

The farmer is losing his help for two reasons. One is the attraction of high, uncontrolled wages in the various governmental industries scattered all over the country. The farmer boy goes into industry, attracted by high wages.

Another thing which is happening is that the Government of the United States is taking farmers away to war when they ought to be left on the farms to produce food. The man on the farm, between the plow handles, who raises the food to feed our armies on the front, is just as much a soldier as though he stood with rifle in hand in the front-line trenches. He does not subject himself to the same dangers, but he is just as important to winning the war as is the soldier. All the soldiers we could raise in the United States would not be able to win a battle unless they were supplied with food, as well as ammunition and clothing. There is nobody to produce the food except the farmer; and if we take his help away, regardless of prices, regardless of parity, and regardless of everything else, and if men on the farm are taken into the Army and nobody is left to produce food, the war will fail. We cannot win a battle unless we have about 20 men at home to take care of 1 man on the field of battle. Do not mistake that.

So I think inflation becomes an important consideration. The prevention of inflation is the real object of the proposed legislation. We want to control something which the President is very doubtful about his authority to control, and that is wages. The proposed legislation would leave the question of authority in no doubt.

Mr. President, we can remedy the situation involved in the taking of farmers from their farms by enticing them by higher wages to work in industrial plants, in addition to taking many of them into the armed forces. Of course, if they are called into the armed forces they can do nothing but submit. By the pending measure we shall not remedy that aspect of the situation, nor are we attempting to do so.

I think all of us understand the conditions surrounding a farmer who tries to operate a farm without the help of a hired man and without the help of a son. The farmer and his wife perhaps live on a mechanized farm operated almost entirely without horses. In order to operate such a farm a man must be somewhat of a mechanic, somewhat of a mechanical expert. He must know all about an automobile and all about a combine, and must know a great deal about

electric power and other power. Such a farm is no place for a man who has had no experience and no knowledge of those subjects.

I have personal knowledge of the case of a farmer and his wife, without children, who have operated such a farm. They have had over 100 head of cattle. They have milked 10 or 12 cows. They have had nearly 100 head of hogs and two or three hundred chickens on the farm. They have had an electrified farm; otherwise they could not have operated it. The farmer's wife has done most of the work around the house and barns. She milked the cows with machinery. She took care of the pigs; she took care of the chickens. The farmer himself was on his machine in the field from daylight until dark.

What happened? The farmer was drafted, the Army took him. Many other farmers had the same experience. What will happen? The farmer's wife cannot run the farm, she cannot do all that work. It is impossible to hire anyone to do it. Not every man can do it, because the work requires a man to be somewhat of an expert. What will happen? The farmer is going into the armed forces. He and his wife must sell all the cattle and the milk cows; they must dispose of the hogs, the chickens, and the machinery on the farm. Worst of all, Mr. President, is the fact that next year that farm will lie idle. It will not produce a bushel of wheat, a bushel of corn, or a head of cattle; it will not produce any hogs, any chickens, any butter, or any milk. The whole farm will have gone out of commission. That is the case of thousands of farmers. I think such situations should be taken care of; they must be taken care of. We cannot continue to support an Army in the field if agriculture is thus hampered. It cannot be done. Failure must be the ultimate result of conduct so disastrous as that.

Mr. President, the pending measure does not touch that situation. A bill introduced by the Senator from Vermont, I think, would take care of the situation, as I understand it; it would stop the process of taking from the farms and into the Army farmers who necessarily must be on the farms. It would stop the draining of farm men into the industries where they receive higher wages. We must do something of that kind or else we shall fail.

Mr. President, it is senseless to raise a large Army—perhaps an army of 10,000,000 men—and not be able to feed it after we have raised it, after we have sent it to the battle front, after we have equipped it with arms and munitions, after we have clothed it, after we have taxed our people nearly to death in order to pay all necessary expenses. Shall the Army be sent into battle and fail, and be defeated because it is not fed? It is bound to be defeated if it is not fed. Armies must be fed every day, and a great deal of farm production is required to do that.

Much has been said about criticism in the press against the farmers. I think what has been said in the Senate has been justified. It is heartbreaking to me to

read in the daily newspapers accounts that I know do not state the farmers' situation correctly.

I know that the farmer is not unpatriotic. I know that there is no justification for criticism that the farmer is trying now to profiteer. I do not believe a word of such criticism. But, Mr. President, again we have brought home to us the question of what we shall do about it. Probably nothing; probably we are unable to stop it. God will take care of it in time. The editorials—based on nothing, in many instances—casting reflections upon a great portion of our patriotic people, will come home to roost some day; and this country will realize that the farmer is a necessary soldier, and that without him we cannot win the war.

However, all that has nothing to do with the measure now pending. I do not suppose we ever shall see such criticism stop. As I see it, it is one of the weaknesses of every democracy; and if we were to stop it we should lose something dear and precious to a democracy. So, whether we pass the pending measure or do not pass it, I see no way to affect such criticism.

All that anyone should ask now is that all of us be willing to make the necessary sacrifices. We are called upon to make such sacrifices, as I view the situation, if we are to present a united front to the world.

What joyful news it would be in Hitler's camp and all over Japan if tomorrow word were to be sent all over the world that a great fight was going on in the United States between two branches of our great democracy. Hitler would say, "That is another demonstration that I have been right when I have been telling the world for years that democracy is a mockery and a failure, and that I want to obliterate it."

Mr. President, I think there is very little difference between the positions of those on various sides of the controversy. If I felt that I had to sacrifice even what to me was a dear and sacred principle in order to bring about harmony, I should be glad to do so for the good of my country, for the good of civilization, and for the good of millions of generations yet unborn.

Mr. LEE. Mr. President, the Senate must choose between two amendments, the Thomas amendment and the Barkley amendment. Both the amendments are intended to help the farmer. I believe the Barkley amendment is a better amendment and would help the farmer more than would the Thomas amendment; but due to the parliamentary situation we must vote on the Thomas amendment before we can vote on the Barkley amendment. Therefore, in order to clear the way for the Barkley amendment I shall vote against the Thomas amendment. Then I shall vote for the Barkley amendment.

Mr. BILBO. Mr. President, I know that the Senate is becoming impatient to vote on the pending measure; but I want it understood that I shall vote for the Thomas amendment because I believe that from it the farmer would receive the greatest good. I am a little in doubt re-

garding the ability of the Barkley amendment to reach the problem of the farmer.

Psychologically, the Thomas amendment is what the farmers of the Nation want. What we do in this matter will affect the crop to be grown next year. I am in favor of controlling inflation, but I think winning the war is more important than controlling inflation. It will take the farmers of America to do the job; and that is why I am for the Thomas amendment.

Let me make a prophecy. If the Congress does not meet the requirements of the farmers, and does not give them a break so as to enable them to grow the food and other agricultural products needed to win the war, in less than 12 months we shall be called upon to provide a subsidy for the farmers, or we will be face to face with total mobilization and the drafting of labor necessary to operate the farms, because they must be operated.

In this connection, Mr. President, I have just received a resolution adopted by an unusual club, the Business and Professional Men's Farm Club of Jackson, the capital city of my State. It states the case so completely that I ask that the Secretary may read the resolution before the vote is taken.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

Whereas it is noted by the press and over the radio that an Army of 13,000,000 men is contemplated; and

Whereas a large quantity of food will have to be grown and harvested to feed the civilian population, the armed forces, and our Allies; and

Whereas on the basis of the present selective service regulation, a large percent of this new army will come from the farm; and

Whereas the prices paid by Government projects are attracting large numbers of farm laborers from an already depleted labor status; and

Whereas on the present price of farm products the farmers cannot pay wages to compete with industry, and particularly the war industry; and

Whereas the Secretary of Agriculture, in a statement dated September 23, issued a warning that we are facing a food shortage in 1943, because of the conditions heretofore set out: Therefore be it

Resolved by the Hinds County Business and Professional Men's Farm Club, That our Representative in Congress be advised that due to the shortage of labor on the farm and our inability to compete with industry for labor, we urge Congress to enact such legislation as will place the farmers on parity with labor, and, be it further

Resolved, That in view of Secretary Wickard's statement that we face a shortage of food in 1943, that the selective-service regulation should be changed to defer necessary farm labor for the duration, and further specifically request that in fixing prices for farm crops, consideration be given to cost of farm labor; be it further

Resolved, That a copy of this resolution be sent to the United States Senator and Members of Congress from the State of Mississippi and a copy mailed to the Secretary of Agriculture.

J. O. SEGURA,
President.

C. H. HALES,
Secretary.

Attest:

The VICE PRESIDENT. The question is on agreeing to the so-called Thomas amendment, as modified.

Mr. SMITH. Mr. President, I am as anxious to vote as is any other Senator, but before the vote is taken I should like to make a brief statement. I am amazed at the speech of the Senator from Nebraska [Mr. NORRIS]. All this talk and all this loss of time, boiled down to the last analysis, brings us to the issue: Shall the farmer be allowed to have included in his ceiling price the cost of his production? I am not talking about parity; I am talking about the ceiling that is going to be put on agricultural products. If the farmer is not allowed to incorporate the cost of the wage he has to pay, he will be in serious difficulty. That is the whole story. All this talk covering the whole phase of human activity can be resolved into one sentence: Are Senators willing to let the farmer get the cost of his production? If to do that would cause a veto of the measure, and bring all the disaster predicted by the Senator from Nebraska, what are we going to do? Shall we by our votes say to the farmer, "You cannot include the cost of your production in the sale of your products?" It is not a question of upsetting parity; it is a question of providing that when a ceiling price is put on a farm product farm labor shall be weighted in the calculation. That is all this controversy is. If the President is big enough to be President of the United States, I think he is big enough to sign a bill with such a just and simple provision in it.

The Barkley amendment impresses me as being a jumble of words to avoid the issue. Every Senator who believes that the farmer is entitled to include in his cost the cost of his labor will vote for the Thomas amendment, and I want the roll to be called so that we may see who they are who are not willing that the farmer, without regard to parity, shall have accorded him simple justice in connection with hiring his hands so that the cost of his labor may be incorporated in the ceiling price. That is all this debate has been about.

Now, Mr. President, I hope we may have a vote.

The VICE PRESIDENT. The yeas and nays have been ordered.

Mr. BARKLEY. I should like to have recognition for a moment. A while ago the Senator from Oklahoma asked unanimous consent that he might change the word "section" to the word "act" so as to make his amendment conform to the language in the House amendment. I have no objection to that, because, if that is all it would do, I could not object, but since reading the amendment and the joint resolution itself it appears that the change may have the effect of increasing the loan privilege from 90 to 100 percent, which I am sure the Senator from Oklahoma does not want to do. Therefore, I wish to say to him that I hope we can reconsider the action which was taken and leave his amendment as it was, so that, when it goes to conference, if his amendment is retained, it can be made certain that the change of the word "section" to "act" does not provide for a

100-percent loan instead of a 90-percent loan, which the Senator himself does not want to have done.

Mr. THOMAS of Oklahoma. Mr. President, when I submitted my request for unanimous consent, I made a statement that I desired to modify the amendment so as to make it exactly like the House amendment as to wording and even as to the commas, which would have to be done to make it exactly conform; whereupon the Senator from Kentucky asked me if that was the only purpose and effect of the amendment. I hedged on that because I knew what the effect would be. The House amendment is broader than my amendment—and when I say “my amendment” I include, of course, the Senator from New Mexico [Mr. HATCH]. The House amendment refers to “act.” If the pending joint resolution passes and becomes a law, it becomes a part of the emergency price-control law and becomes a part, in effect, of the triple A law. So if the present amendment, referring to “act” instead of “section” stands, it is very broad and affects all the existing legislation. I left a loophole, as I thought the Senator from Kentucky would come back and ask what my interpretation was. He did not do so. So, in order to accomplish the purpose, and make it not subject to conference, I made the request. Since it is broader than the Senate amendment, and inasmuch as the Senator has asked me to consent to a reconsideration, I have no objection.

Mr. BARKLEY. I will say to the Senator, of course, he realizes that in the rapidity with which unanimous-consent requests are made and put, it is impossible for any Senator to consider the whole bill that may be before us. After talking with the Senator from Oklahoma, he, of course, agreed with me that he did not intend to affect the parity loans of 90 percent.

If the Senator reconsiders and leaves in the word “section” as it was originally and it goes to conference—I presume I will be one of the conferees—we will be more at liberty to ascertain its meaning. If it means only what I thought it meant at the time, and does not affect parity, I would have no objection to changing it, but we can work it out in conference.

Mr. THOMAS of Oklahoma. Mr. President, the House provision refers to “act” and the Senate amendment refers to “section.” If this amendment should go into the joint resolution, and it should be supported by the Senate and should go to conference, the conferees would have to agree to one of two words, either to the word “section” as it would be in the Senate measure or to the word “act” as it is in the House measure. Inasmuch as there is a broad difference and inasmuch as many members believe that the President might veto the joint resolution, anyway, if we can secure a substantial agreement and benefit the farmers by using the word “section,” which is much more liberal and less drastic than the word “act,” I am willing to make that concession, and I have no objection to having the Senate vote on the amendment exactly as it is printed, using the word “section” and not the word “act.”

The VICE PRESIDENT. The Senator from Kentucky has asked for a reconsideration of the modification. Is there objection to the reconsideration? The Chair hears none. Is there objection to leaving the phraseology of the Thomas amendment as it originally stood? The Chair hears none.

Mr. BARKLEY. Mr. President, while I am on my feet, I wish to state that, regardless of the result of the roll call on the Thomas amendment, whether it shall be adopted or rejected, the substitute which has been discussed and which has been printed will be offered. Even if the Thomas amendment is adopted, then the substitute will be offered for the whole committee amendment, including the Thomas amendment.

If the Thomas amendment shall be rejected, the substitute amendment will be offered anyway, because we feel that it is couched in better language, that it is more liberal and fair, and subject to less misinterpretation than the committee amendment itself. So that in either case it will be offered as a substitute for the committee amendment.

Mr. WAGNER. Mr. President, there is a letter at the desk addressed to the junior Senator from Michigan [Mr. BROWN] by the National League of Women Voters, which I ask to have read by the clerk before the vote is taken.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

NATIONAL LEAGUE OF WOMEN VOTERS,
Washington, D. C., September 28, 1942.

Senator PRENTISS M. BROWN,
Washington, D. C.

MY DEAR SENATOR BROWN: I am addressing you in the name of the League of Women Voters, a national organization concerned with government in the interests of the people themselves, not for special groups of people. Members of the League throughout the United States have long been aware of the need for drastic action by the Congress to ward off a disastrous inflation.

It is our hope that Congress may yet demonstrate its intent to provide for prompt and uncompromising execution of effective price and wage legislation. Congress must be aware of the threat to all people if inflation continues. It is to be hoped that Members will act accordingly without fear or favor. To do otherwise with the eyes of the people upon them today is to court a loss of faith in Congress itself with unpredictable consequences to our democratic government. In admiration of your courageous speech to the Senate on this September 24th,

Very sincerely yours,
MARGUERITE M. WELLS,
President.

Mr. THOMAS of Oklahoma. Mr. President, I did not intend to inject any further suggestion into the debate, but inasmuch as this letter has been read, I ask permission to have read at the desk two or three telegrams I have received to offset the suggestion at least that the women are against this measure.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

WARSAW, N. Y., September 28, 1942.

Senator THOMAS:

The New York State Council of Rural Women, composed of the women of the State

Grange, the State Federation of Home Bureaus, extension service and the home department of the Dairymen's League commend you for your work in the interest of farmers and the Nation. Unless help is given the food necessary to win the war will not be produced. We are supporting your bill wholeheartedly.

EDITH P. WAGENBLASS,
Secretary of the New York State
Council of Rural Women.

PLATTSBURG, N. Y., September 28, 1942.
Senator THOMAS.

Senate Office Building,
Washington, D. C.:
Representing 750 Home Bureau women we approve your stand on farm-price control bill.

CLINTON COUNTY HOME BUREAU
EXECUTIVE COMMITTEE,
FRANCES B. FLANAGAN, Chairman.

HUBBARDSVILLE, N. Y., September 28, 1942.
Hon. Senator THOMAS,

Senate Office Building,
Washington, D. C.:
The Madison County Home Bureau of 698 members want you to know we heartily approve your stand on the farm-price control bill.

Mrs. AMOS G. LAMB, Chairman.

Mr. AIKEN. Mr. President, I have received many telegrams, which I shall not put into the RECORD. I merely wish to say that in response to the impassioned radio appeal a few evenings ago by the able Senator from Michigan [Mr. BROWN], appeals by national committeemen, and others, and in response to newspaper advertisements, I have received 92 telegrams. One urged support of the President, and the remaining 91 urged support of the THOMAS-HATCH amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS] and the Senator from New Mexico [Mr. HATCH] to the amendment of the committee as amended. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I have been informed that if present he would vote as I shall vote, and therefore I have a right to vote. I vote “nay.”

The roll call was concluded.

Mr. BYRD. The senior Senator from Virginia [Mr. GLASS] is detained because of illness. Were he present, he would vote “nay.”

Mr. McNARY. The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent. If present he would vote “nay.”

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] is absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] is necessarily absent.

The Senator from Missouri [Mr. TRUMAN] has been called to his State on important public business, and is therefore necessarily absent. I am advised that if present and voting the Senator from Missouri [Mr. TRUMAN] would vote “nay.”

The result was announced—yeas 48, nays 43, as follows:

YEAS—48

Aiken	Doxey	Murdock
Andrews	Ellender	Norris
Bailey	George	Nye
Bankhead	Gillette	O'Daniel
Bilbo	Hatch	Overton
Bone	Hayden	Reynolds
Brewster	Hill	Russell
Brooks	Holman	Shipstead
Bunker	Johnson, Calif.	Smith
Butler	La Follette	Spencer
Capper	Langer	Thomas, Idaho
Caraway	McCarran	Thomas, Okla.
Clark, Idaho	McFarland	Van Nuys
Clark, Mo.	McKellar	Wheeler
Connally	McNary	Wiley
Downey	Millikin	Willis

NAYS—43

Austin	Herring	Schwartz
Ball	Johnson, Colo.	Smathers
Barbour	Kilgore	Stewart
Barkley	Lee	Taft
Brown	Lodge	Thomas, Utah
Burton	Lucas	Tobey
Byrd	Maloney	Tunnell
Chandler	Maybank	Tydings
Chavez	Mead	Vandenberg
Danaher	Murray	Wagner
Davis	O'Mahoney	Wallgren
Gerry	Pepper	Walsh
Green	Radcliffe	White
Guffey	Reed	
Gurney	Rosier	

NOT VOTING—5

Bridges	Glass	Truman
Bulow	Hughes	

So the amendment of Mr. THOMAS of Oklahoma to the amendment of the committee, as amended, was agreed to.

Mr. BARKLEY. Mr. President, on behalf of the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Maryland [Mr. TYDINGS], the Senator from Kansas [Mr. REED], and myself, I offer an amendment in the nature of a substitute for the committee amendment as amended.

Mr. HATCH. Is it the intention of the leader to have a vote on this amendment tonight?

Mr. BARKLEY. I hope we may conclude the consideration of the whole measure this evening.

The VICE PRESIDENT. The clerk will state the amendment in the nature of a substitute proposed by the Senator from Kentucky.

The LEGISLATIVE CLERK. In the committee amendment on page 4, line 2, it is proposed to strike out all after the word "inequities" through the word "inequities" in line 13, as amended, and insert in lieu thereof the following: "Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing."

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. ELLENDER. Can the pending substitute amendment be amended?

The VICE PRESIDENT. When a substitute is offered for the committee amendment, as amended, it, the substitute, is open to amendments of a perfecting nature in one degree only. The original committee amendment is still open to further amendment, and an amendment proposed thereto will have precedence over an amendment offered to the substitute.

Mr. BARKLEY. Mr. President, may I inquire whether that ruling of the chair is limited to one amendment or any number?

The VICE PRESIDENT. One amendment at a time.

Mr. BARKLEY. Is it the ruling of the Chair—and I make no question about the correctness of the ruling—that so long as any Senator desires to offer a perfecting amendment to the text of the committee amendment the substitute cannot be voted upon?

The VICE PRESIDENT. That is the ruling.

Mr. BARKLEY. That is not the ruling which the Chair made yesterday.

The VICE PRESIDENT. That ruling was not made by the present presiding officer.

Mr. BARKLEY. That is correct.

Earlier in the day, Mr. President, I stated that I wished the Senate to sit until it concluded consideration of this measure today. Many Senators have been coming to me all day insisting that we proceed and try to complete action on the measure. Now at the last moment Senators have suggested that we recess until tomorrow.

I feel that the country should know that the Senate of the United States is in serious mood at this dire moment, at this critical hour in our history, when considering a proposition of this sort, and that therefore we ought not to adjourn or recess now for the convenience of Senators. I think the Senate should remain in session and finish consideration of the measure. If any Senator wishes to move that the Senate recess or adjourn, and a majority vote is cast for the motion, of course, the Senate will recess or adjourn. I do not think it ought to do so. I think we have debated the proposition long enough, subject, of course, to brief expressions on the part of Senators. Now, when the country is expecting us to act, and when everyone has been hoping we would act, I do not think we should recess. I think we should remain in session until we shall have disposed of the measure.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. THOMAS of Oklahoma. Let me remind the Senator from Kentucky that it is now a week since we served notice that we were ready to vote. There is no filibuster on our part.

Mr. BARKLEY. I accuse no one of filibustering. I think this morning the

Senator from Oklahoma was quoted—and I think erroneously so, I hope so—as having stated that there would be indefinite debate here, which is usually interpreted as a filibuster, but I know the Senator from Oklahoma has not had anything like that in mind.

Mr. THOMAS of Oklahoma. Mr. President, so far as I know no Senator wants to speak on the amendment longer than is necessary to state his position.

Mr. BARKLEY. I understand that.

Mr. THOMAS of Oklahoma. But inasmuch as we have debated for a week on an amendment consisting of only three or four lines, and now that we have before us a real amendment—

Mr. BARKLEY. I am glad the Senator from Oklahoma admits that the amendment he offered is a little one, and that the one we offer is a real one.

Mr. THOMAS of Oklahoma. Will the Senator from Kentucky permit me to make a brief statement? I wish to say that now we have before us an amendment which allows every corporation, every firm, every group of citizens engaged in processing farm products to have costs of production plus "a generally fair and equitable margin" of profits, and if such amendment in the nature of a substitute is agreed to then the amendment giving farmers cost of production without profit, just adopted by a vote of 48 for to 43 against, will be voted out of the joint resolution.

The issue which is drawn is that every one is to have costs and to make money except the farmer, and he is not to be allowed even his costs. That issue is now before the Senate. Before we vote on the substitute I shall want to use some time to set forth my views more in detail on the pending amendment.

Mr. BARKLEY. Mr. President, I wish to say to the Senator from Oklahoma that if he wanted to be fair, or was familiar with what happened, he would know that the processing amendment which is included in the substitute, has already been adopted by the Senate. It was an amendment offered by the Senator from Tennessee [Mr. McKELLAR] and adopted as an amendment to the committee amendment, and it had to be included in the substitute in order that it might be a substitute.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. THOMAS of Oklahoma. I think every Member of the Senate wants everybody to receive cost of production and a reasonable profit. I do.

Mr. BARKLEY. No one objected to that amendment when it was offered, and that question was not raised by the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. I am in favor of everyone receiving the cost of production and a reasonable profit. Now when we narrow the issue down to whether or not the farmer may receive the cost of production I cannot agree to an amendment which will force the farmer to continue to accept what he can get for his products irrespective of the costs of production when all others

are guaranteed not only costs but reasonable profits.

Mr. BARKLEY. Of course, I do not want any misstatement of the issue involved in this substitute, whether it is unintentional, which I assume it is, or otherwise, because the Senator from Oklahoma undoubtedly was on the floor of the Senate one day last week when the Senator from Tennessee [Mr. McKellar] offered the amendment, which was an amendment to the committee amendment involving the question of processing agencies processing agricultural products. The Senator might have raised the point then, which he did not.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. THOMAS of Oklahoma. If I had raised the point it would have placed me in the attitude of being against the processors receiving their cost and a reasonable profit. I am in favor of costs and profits for processors, and I am in favor of the farmer likewise receiving his cost of production plus a reasonable profit. The reasonable-profit provision has been stricken from the amendment, and now the fight is over whether the farmer is to receive his cost of production.

Mr. BARKLEY. A reasonable-profit provision has not been offered in the amendment, but it was offered time and time again, year after year, as a part of the formula for agricultural prices, and was rejected by the House and Senate.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HATCH. I wish to offer a perfecting amendment to the pending amendment. The perfecting amendment is the language of the so-called Thomas amendment, beginning at the end of the third line of the printed amendment with the words "Provided further." I offer that as a perfecting amendment at the end of the pending amendment.

The VICE PRESIDENT. The amendment will be stated.

Mr. BARKLEY. Mr. President, I yielded to the Senator, but I did not know that he wished to offer a perfecting amendment.

Mr. HATCH. I am offering a perfecting amendment.

Mr. BARKLEY. Mr. President, I wish to make a brief word of explanation before that is done.

Mr. HATCH. I withdraw my perfecting amendment, then.

Mr. BARKLEY. If the Senator will do so momentarily, I shall not interfere with the Senator offering it later.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. GILLETTE. Let me remind the Senator, in connection with his suggestion that he would like to have the Senate remain in session until the joint resolution is passed or acted upon finally, that on Tuesday and Wednesday of last week, when the proponents of this particular phase of the measure were ready to act, the Senate recessed on 1 day before half past 3, for reasons best known to those in charge, and on the next day before 4 o'clock. Now, at this stage of the pro-

cedure, when some of us who have not taken advantage of the opportunity to speak wish to discuss certain phases of the matter, it seems to me that to suggest that it is necessary to stay in session and vote on the joint resolution tonight is a failure to realize, in all fairness, the implications which have surrounded this debate.

Mr. BARKLEY. Mr. President, it is true that on 1 or 2 days last week the Senate adjourned earlier than I thought it ought to adjourn. I did everything I could to keep it in session longer, but no Senator was ready to speak when we recessed on either of those days, and therefore we had to recess. Now many Senators want to speak, and we are still asked to recess. I think we ought to proceed.

Mr. President, perhaps I should wait until a little later to explain the substitute amendment in detail. The substitute would not only authorize, but direct the President—

where by reason of increased labor or other costs—

which makes it even broader than the Thomas amendment—

to the producers of such agricultural commodity—

That means to the farmers, not the processors, for the processors do not produce agricultural commodities; they merely process them—

where by reason of increased labor or other costs to the producers of such agricultural commodity the maximum prices so established—

That is, established under the terms of the joint resolution, under the formula of parity, or the highest prices between January and September, whichever figure is the higher—

will not reflect such increased costs—

then the President is directed to modify the maximum prices in such a way as to take into consideration and reflect—not merely to take into consideration, but to reflect—the increased costs referred to in the production of agricultural commodities.

The suggestion has been made—and I wish to refer to it now, because it has been made sincerely—that the substitute authorizes and directs the President to do this whenever he fixes a maximum price for agriculture, without regard to when the crop was produced. Any crop of any kind in the hands of the farmer upon which the President fixes a maximum price is included in the substitute, and the increase in the cost of labor involved in the production of that crop is included in the substitute, regardless of when the crop might have been produced.

There has been a suggestion that we fix January 1, 1941, as a date beyond which the President could not go and subsequent to which he would be required to consider increased costs of farm labor, the theory being that because the War Labor Board fixed January 1, 1941, as a date for freezing increases in the cost of living, there might be some analogy between the cost of living and a maximum price including increased costs of labor in the production of farm commod-

ities upon which a maximum price is fixed.

The two situations are not analogous. Those who earned salaries in 1940 or 1939 have received them. No increase in the cost of living beyond that date would necessarily be of any value in considering any increase in the cost of living in determining wages and salaries. That is not true of farmers. There are still some crops left in the hands of farmers which were produced in 1940—probably some of which were produced in 1939. This amendment applies to and is a mandatory directive to the President to include, increased costs of producing any crop, whenever it was produced, whether in 1942, 1941, or 1939, in determining the maximum price. I have consulted with the Bureau of Agricultural Economics in the Department of Agriculture about this question. They feel as I feel, that it would be unfair to farmers who have crops which were produced beyond that date to fix that as the date after which increases in farm labor costs could be considered. For that reason that date has not been included in the substitute.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BANKHEAD. I should like to ask the author of the amendment whether it covers the cost of labor currently being paid, or whether it merely covers an increase in cost, and if so, an increase over what period?

Mr. BARKLEY. It is without limitation.

Mr. BANKHEAD. How can we get at it unless we have a base point with which to make comparisons?

Mr. BARKLEY. It covers any increase in labor costs and other costs.

Mr. BANKHEAD. Over what?

Mr. BARKLEY. Any increase for the crop involved over previous labor costs of that crop.

Mr. BANKHEAD. Over previous crops?

Mr. BARKLEY. That is correct.

Mr. BANKHEAD. So it is limited to an increase in costs for 1 year?

Mr. BARKLEY. Not at all.

Mr. BANKHEAD. Or an increase over the previous crop.

Mr. BARKLEY. It applies to increased costs in the production of any crop—say the crop of 1940, over the crop of 1939.

Mr. BANKHEAD. That is what I said—over the previous crop.

Mr. BARKLEY. The previous crop; or the crop of 1939 over the previous crop.

Mr. BANKHEAD. So it is limited to 1 year—one crop over the preceding crop.

Mr. BARKLEY. It is a continuing performance. Even if the President should put a maximum on tobacco, cotton, or corn which was raised prior to 1941—even in 1940 or 1939—he would be compelled to consider any increase, not only in labor costs but in other costs, which might include the price of seed, the price of work animals, fertilizer, or anything else which went into the production of the crop itself.

Mr. BANKHEAD. Suppose—as we know to be true—there was a substantial

increase in the farmer's cost of labor in 1941. That is the real issue. There has been a substantial increase in 1942. We shall soon be in 1943. I wish to know the correct construction. What the Senator says, I take it, would be largely binding upon the courts or the administrators. Having had a large increase in 1940, 1941, and 1942, we are about to go into 1943. I take it that, following the large increase in labor costs in 1941, and again in 1942, as we approach the 1943 crop, the amendment would permit the addition only of the increased costs from this time forward.

Mr. BARKLEY. No.

Mr. BANKHEAD. The Senator said it would apply to the costs of one year as compared with those of the previous year.

Mr. BARKLEY. The Senator misunderstood me.

Mr. BANKHEAD. I did, if that is not a correct statement.

Mr. BARKLEY. Let us suppose, for instance, that a cotton grower—we will use cotton for illustration because the Senator is familiar with cotton and is interested in it—had on hand cotton produced in 1942, 1941, and 1940, and still has cotton on hand. Under the language of this amendment, as I interpret it, the President would be required to take into consideration the increased costs in the production of all three crops in fixing a maximum price upon them.

Mr. BANKHEAD. Does the Senator mean 3 years after the cotton has been produced, or 2 years after the cotton has been produced?

Mr. BARKLEY. So far as it has been unsold. He may not go back and fix a maximum price on cotton, or anything else, which has already been sold. The amendment would apply only to such crops as are still in the hands of the farmer, and will be in his hands after he produces them, from year to year.

Mr. BANKHEAD. The chief consideration here is not the small amount of cotton which has been carried over by farmers but the entire crop.

Mr. BARKLEY. I think that is true.

In the consideration of a maximum price for the entire crop, regardless of the year of its production, the President would be required to fix such maximum as would reflect the increase in the cost of production.

Mr. BANKHEAD. Over what period?

Mr. BARKLEY. Over the period of its production.

Mr. BANKHEAD. During that year. That is what I thought. It is limited to 1 year.

Mr. BARKLEY. Oh, no.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TYDINGS. I think most Senators share the desire of the Senator from Kentucky to dispose of this matter tonight, if possible, or at the earliest possible opportunity. However, I am wondering if we would not really make more speed—I simply offer it as a suggestion to the Senator from Kentucky—if those who are interested in his amendment and in the Thomas-Hatch amendment could agree on a definite hour tomorrow when we can finally vote on this ques-

tion, rather than remain in session longer tonight. We have really made considerable progress during the day toward ultimate passage of the joint resolution. I do not wish to usurp the functions of the able majority leader. I only offer this as a suggestion which, in the long run, would probably be conducive to speed.

Mr. BARKLEY. I appreciate the Senator's suggestion. Of course, this amendment is not the only amendment which is to be considered. In all likelihood the Senator from Nebraska [Mr. NORRIS] will offer an amendment regarding utility rates. I understand that he has such an amendment and that it has already been printed. I do not know how controversial that will be, or how much debate it may require. We cannot predict how many amendments may be offered. If we could agree upon an hour at which we could vote on the joint resolution tomorrow, that would be one thing; but I doubt very much if Senators who have amendments to offer would agree at this time to an hour tomorrow when we should vote on final passage of the joint resolution. Merely to fix some time tomorrow to vote on this particular substitute might not result in disposing of the bill promptly tomorrow.

I wonder whether it would be possible to obtain an agreement limiting debate. I should like to have the attention of the Senator from Nebraska [Mr. NORRIS].

Mr. President, I ask unanimous consent that during the remainder of the consideration of the pending measure no Senator shall speak more than once nor longer than 15 minutes on the measure or any amendment thereto or substitute therefor.

Mr. HATCH. Mr. President, will the majority leader restate his request?

Mr. BARKLEY. I ask unanimous consent that during the remainder of the consideration of the pending measure no Senator shall speak more than once nor longer than 15 minutes on the measure or on any amendment thereto or substitute therefor or on any motion pertaining thereto.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky?

Mr. THOMAS of Oklahoma. Mr. President, reserving the right to object, let me say that I shall agree to all amendments save the pending substitute. Tomorrow I shall be prepared, at least so far as I am concerned, to dispose of the pending substitute. We have been here some hours, and there is a limit to endurance; although the way I feel about the matter I am prepared to go on for an indefinite period. However, I do not desire to do so.

Mr. BARKLEY. Mr. President, of course, I realize that all of us exceed the average age of the men who are to fight this war; but it seems a little incongruous to protest about doing 7 hours' work when those upon whom we depend are required to work all day and all night, if necessary, under the most hazardous and grueling circumstances.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HATCH. A moment ago I sent to the desk an amendment to the substitute of the Senator from Kentucky. I am perfectly willing—and I speak for the Senator from Oklahoma [Mr. THOMAS]—to continue into the night with the debate if it is the Senator's desire to do so.

Mr. BARKLEY. That is very kind and generous of the Senator.

Mr. HATCH. I do not want the Senator from Kentucky to misunderstand me.

Mr. BARKLEY. I understand the Senator's position. However, it seems regrettable that after working for a few hours we want the country to believe that we are so tired that we can work no longer.

Mr. HATCH. I am not tired, and I shall stay as long as the Senator from Kentucky stays; but I do not want the Senator from Kentucky or any other Senator or anyone else to say that we want to stop because we are tired.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BARKLEY. In a moment.

Mr. WHEELER. Perhaps the Senator is losing his temper.

Mr. BARKLEY. No; I am not losing mine.

Mr. WHEELER. I am afraid the Senator is.

Mr. BARKLEY. I am not losing my temper, but perhaps the Senator from Montana is losing his.

Mr. WHEELER. Oh, no. What I should like to say is that we have been here several hours, but many of us were at work many hours before we came to the Senate Chamber. I was at my office at 8 o'clock this morning, and many other Senators were likewise at work at an early hour.

I simply say to the Senator that, in my humble judgment, we shall make more progress if we put the matter over until tomorrow, and meantime agree upon a limitation of debate. I shall not talk any more about the matter.

Mr. BARKLEY. I always enjoy hearing the Senator.

Mr. WHEELER. I appreciate that very much. Let me say that I have been present at many night sessions, and I have observed that nothing is gained by them because the Senator knows that when the galleries are packed we hear from many Senators who ordinarily would not address the Senate at any particular length.

Mr. BARKLEY. The Senator's remark does not apply to me.

Mr. WHEELER. No; nor to me.

Let me say that I am sure that very little would be saved by continuing into the night, and that we should make virtually as much progress by reaching an agreement regarding limitation of debate, and by postponing further debate until tomorrow.

Mr. BARKLEY. I think we could remedy the situation the Senator has described by barring the galleries to the public and having debate held in executive session. However, I should not suggest that, of course.

While I have the floor let me ask if the Senator from Oklahoma will suggest or agree to a limitation of debate.

Mr. THOMAS of Oklahoma. Mr. President, I am not now prepared to agree to a limitation of debate. From my viewpoint the pending amendment is the whole measure, and it would affect every man, woman, and child in America.

Mr. BARKLEY. Will the Senator agree on an hour?

Mr. THOMAS of Oklahoma. I shall discuss the matter in the morning, but I am not prepared to do so now.

Mr. BARKLEY. Does the Senator say he is not prepared to agree at this time?

Mr. THOMAS of Oklahoma. I am not prepared to do so at this time on the pending amendment. As to everything else I shall agree.

Mr. BARKLEY. That means that we differ on nothing save the pending amendment.

Mr. President, in view of the situation I think we might continue for a while to debate the pending amendment.

I yield the floor.

Mr. DOWNEY obtained the floor.

Mr. BONE. Mr. President, will the Senator yield for a moment in order to permit me to propound a question to the Senator from Kentucky.

Mr. DOWNEY. I yield.

Mr. BONE. Mr. President, I shall be compelled to vote on the amendment which has been discussed by the Senator from Kentucky, and therefore I am constrained to ask the reason why the provision in the last three or four lines was inserted in the amendment.

There is an infinite variety of business enterprises in the country, and I am wondering why packing plants and canneries were picked out, and why dry-goods stores and other businesses were omitted. I should like to move either to strike out the provision or to amend it so as to include all forms of business.

Mr. BARKLEY. Mr. President, evidently the Senator did not listen to my earlier remarks relative to the matter, because I explained that the language to which the Senator refers is the language of the amendment agreed to last week by the Senate. The amendment was offered by the Senator from Tennessee. I think it was intended to try to create a situation whereby small packers might be considered in regard to the processing of meats. Of course, the Senator from Tennessee can more fully explain the amendment.

The only reason why the language covering packing plants and canneries was included in the amendment was that it had already been included in the committee amendment and had been agreed to by the Senate.

Mr. BONE. I understand that. I was not quarreling with the explanation. My only point in mentioning the matter was that there are many forms of small-business enterprises in the country which are as much entitled to such a guaranty, if it is intended to be a guaranty, as is the packer. That was the reason for my inquiry. I wondered why packers were singled out.

Mr. BARKLEY. The explanation was made by the Senator from Tennessee.

Mr. BONE. Is the matter to be voted on again?

Mr. BARKLEY. Yes; it must be, because it is a substitute for the committee amendment as amended, and it was in the committee amendment.

Mr. BONE. It was put in from the floor; was it not?

Mr. BARKLEY. Yes; it has already been put in from the floor.

Mr. BONE. I wondered whether singling out packers as a group, and leaving out all other forms of business enterprise, would invite criticism.

Mr. BARKLEY. Probably that is a matter which should have been debated when the amendment was being considered.

Mr. LANGER. Mr. President, with the permission of the Senator from California [Mr. Downey], I ask unanimous consent to have printed in the RECORD at this point, as part of my remarks, a telegram to the Members of the Senate from M. W. Thatcher, legislative chairman of the National Farmers' Union. The telegram is on the subject of farm price stabilization and farm manpower supply. It is dated September 28, 1942.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

A farmer's income is his production when it is multiplied by price and, therefore, price alone is not income. Manpower is needed in production, so we have the three elements—manpower, production, and price.

If it were true that price is the sole factor to assure manpower on the farm, it would then follow that the farmer is in an all-out competition with industry, as to which one can pay the most to the employee. If that be true, inflation is surely on its way. Spiraling living costs will call for spiraling wages, salaries, and service charges.

In our surveys, we find that the curtailment of manpower on the farm is due mainly to the draft as it has been operated to date; that it accounts for at least 70 percent of our loss of manpower on the farm. Increased prices for farm products cannot hope to secure the manpower to assure agricultural production.

In our investigations with the various departments at Washington, we did not find any projected program which gives the minimum required production of each commodity necessary to maintain our war effort and civilian needs on all fronts. We find that there has been no break-down of the manpower required on the farms to meet any kind of a coordinated agricultural production. Any business enterprise that operated on such policy would inevitably break down. This is also true of a nation engaged in a global war.

The draft, applied without a master manpower plan, breaks down the efforts to maintain adequate manpower to assure maximum production in three ways by (1) taking farmers or their sons, who would otherwise remain at home on the farm plant; (2) taking of hired farm help, who would otherwise prefer to remain on the farm if permitted draft exemption on this basis; (3) limiting manpower necessary, especially on family type farms, to increase acreage and production.

The draft, by taking away needed manpower, is making it impossible for farmers to maintain the agricultural production necessary for the prosecution of this war. It already is causing farmers to sell dairy herds and beef cattle for slaughter. It is increasing the number of vacant, unproductive farms.

A change in the formula for determining parity price, to include labor costs, in order to give the farmer higher income out of which to hire farm labor, will not solve the production problem. A ceiling, for example, of 112 percent of parity would not provide enough additional income to enable the farmer to compete with industry in bidding for needed manpower, even assuming that industrial wages are promptly stabilized.

Many of the big war industries have a cost-of-labor provision incorporated into their contracts, so that actual cash consideration is a minor factor when these industries bid for labor. Thus the farmer, who has no guaranty of price, is in no position to compete, even though parity were to go to 200 percent.

It is our conclusion that the relief obtainable by inclusion of a wage scale in parity price is negligible, and that a major step toward solving the manpower problem for agriculture would be to exempt experienced farmers, farmers' sons, and hired men from military service so long as they remained engaged in necessary agricultural production. We must face the fact that there is as much responsibility in producing as in fighting. If we are to have a fighting force, we must feed it.

The conception of parity or equality goes further than the price of a few agricultural commodities. We have yet to hear any word from a majority of the farm leaders, now supporting increased parity price, on behalf of producers of flaxseed, barley, rye, oats, grain sorghums, and a long list of agricultural commodities which since the depression days of 1932 have been selling far below parity prices. For illustration, if the parity price of the 1942 barley crop of over 400,000,000 bushels could be trebled overnight, it would not increase the income of the barley producer, because the Federal Government does not support barley as it does corn prices. The determining factor for barley is the price the product brings on the market.

The argument that on sound accounting principles all labor costs must be included in the price or farm production will fail does not hold good in time of war. Even prevailing prices for the agricultural commodities now above parity, such as dairy products, meats, etc., by themselves will not assure necessary wartime production unless farmers in those fields are supplied with essential manpower. It is necessary to find some way of keeping the farmers' sons and hired men on the farm to the extent of meeting a required minimum production of all of the different farm commodities essential to winning the war.

If a master production manpower program is immediately set up and the matter of farm-price ceilings left to the President of the United States, the best interests of all will be served.

Meanwhile keep the farm boys and hired men now needed on the farms from leaving, and later release as necessary from the armed services those farmers and farm boys already taken who are then most needed to meet the decided production goals. Exemptions from military service for those who follow agricultural pursuits must be based upon fighting a long war and not be 30- or 60-day deferments.

We must determine the farm-plant capacity required for all the farm commodities needed for total war, not only by America but also by the United Nations. Increase acreage allotments to get the most use of farm machinery and manpower.

Finally, leave the matter of increasing prices or higher ceilings for certain commodities and other measures necessary for full production by and protection to agricultural producers, to the President and his deputies.

The cross-section report coming to us from the farmers in the Great Plains area and in part of the Corn Belt States is that parity

price, as now determined, is adequate for them if they can even get that much and provided that their sons and hired men can be assigned to war duty on the farms to assure production, and, further, that they may have the protection of such prices for a period of years following the conclusion of the war.

If they can have such an assurance, they will know that they need not again experience the devastation of deflation and depression.

Our reports are that all want parity; that all want parity of sacrifice; that all want big business and every other group to be compelled, if necessary, to share in this parity of sacrifice.

M. W. THATCHER,
Legislative Chairman, National Farmers Union, St. Paul, Minn.

Mr. BANKHEAD. Mr. President, I send to the desk and ask to have read a telegram received today from the Alabama Cotton Manufacturers Association on the subject of the pending matter.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

SYLACAUGA, ALA., September 28, 1942.
Senator JOHN H. BANKHEAD:

The board of directors of the Alabama Cotton Manufacturers Association has authorized me to endorse and commend your fine efforts to have the farmer's increased labor cost included in the formula by which the parity price of his product is arrived at. To do less we believe would seriously hinder our war effort by diverting needed labor from the farms and would be most unjust to the farmer whose patriotism is second to none. The products of our mills are sold at fixed ceiling prices. Any increase in the price of cotton, therefore, further narrows our margin which has already been narrowed by recent wage advances. Regardless of this fact those of us who are in the cotton manufacturing business here in Alabama know the problems that our farmer friends and neighbors have had and are having, and we believe that the farmer is only asking for simple justice. We are willing to take our chances on being able to prove to Mr. Henderson the fairness of increasing our ceiling prices to prevent an unfair squeezing of our manufacturing margin. If the Congress cannot agree on this matter we are willing to help you in any way we can to get President Roosevelt to see the equity of the farmer's position.

ALABAMA COTTON MANUFACTURERS
ASSOCIATION,

J. CRAIG SMITH, President.

(Mr. DOWNEY addressed the Senate. After having spoken for 10 minutes, the following debate and proceedings occurred:)

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield to me for a moment?

Mr. DOWNEY. Yes; I yield.

Mr. THOMAS of Oklahoma. Mr. President, I have had no lunch and no dinner today, and for fear that the motion to agree to the substitute might be made without previous announcement, I shall ask if the Senator will yield further in order that the yeas and nays may be ordered on the substitute amendment when the final vote is taken.

The PRESIDING OFFICER (Mr. LEE in the chair). The Chair will ask the Senator to state his request again.

Mr. THOMAS of Oklahoma. I ask that the yeas and nays be ordered on the substitute amendment.

Mr. BARKLEY. Mr. President, I think the yeas and nays will be ordered on it, but I do not think they should be

ordered at this time. I hope the Senator will not press the request. I hope the yeas and nays will not be ordered at this time. We shall have the yeas and nays on the substitute.

Mr. THOMAS of Oklahoma. Mr. President, I ask for the yeas and nays on the substitute amendment.

Mr. BARKLEY. I hope they will not be ordered now, Mr. President.

The yeas and nays were not ordered.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from California yield to me so that I may make the point of no quorum?

The PRESIDING OFFICER. Does the Senator from California yield for that purpose?

Mr. DOWNEY. Yes; I yield.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Overton
Andrews	Green	Pepper
Austin	Guffey	Radcliffe
Bailey	Gurney	Reed
Ball	Hatch	Reynolds
Bankhead	Hayden	Rosier
Barbour	Herring	Russell
Barkley	Hill	Schwartz
Bilbo	Holman	Shipstead
Bone	Johnson, Calif.	Smathers
Brewster	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Byrd	Lodge	Thomas, Okla.
Capper	Lucas	Thomas, Utah
Caraway	McCarran	Tobey
Chandler	McFarland	Tunnell
Chavez	McKellar	Tydings
Clark, Idaho	McNary	Vandenberg
Clark, Mo.	Maloney	Van Nuys
Connally	Maybank	Wagner
Danaher	Mead	Wallgren
Davis	Millikin	Walsh
Downey	Murdock	Wheeler
Doxey	Murray	White
Ellender	Norris	Wiley
George	Nye	Willis
Gerry	O'Daniel	
	O'Mahoney	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. What is pending before the Senate?

The PRESIDING OFFICER. The so-called Barkley substitute.

Mr. HATCH. I sent to the desk sometime ago an amendment to the so-called Barkley substitute, which I asked to have read. I offer that amendment now.

The PRESIDING OFFICER. The Chair understood the Senator from New Mexico withdrew it. Does he now wish to offer it again?

Mr. HATCH. Yes; I do.

The PRESIDING OFFICER. The amendment to the substitute amendment will be read.

The LEGISLATIVE CLERK. It is proposed to amend the substitute for the committee amendment, as amended, on page 4, line 2, by adding at the end thereof the following:

Provided further, That (1) in fixing maximum prices for any agricultural commodity or for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, all productive costs of such agricultural commodity, including labor, shall be reflected in any such maximum prices so established or fixed by virtue of any authority contained in this joint resolution, (2) in fixing maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing, and (3) modifications shall be made in maximum prices established for any agricultural commodity or commodities processed or manufactured in whole or substantial part from any agricultural commodity, in any case where it appears that such modification is necessary to increase or maintain the production of such commodity for war purposes.

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. As I understood the amendment as it was read, it was not an amendment to the substitute which I have offered, but a substitute for it. It would be utterly ridiculous to adopt the two of them together. Under the guise of an amendment the Senator has attempted to track the language in the substitute which I have offered. There is no invidious or offensive allusion there; but he has tracked the substitute I have offered, and offered his amendment as an amendment to mine. If it were adopted, and the substitute which I have offered were adopted, they would be utterly incongruous provisions. I wonder whether the Senator from New Mexico is offering his amendment as a substitute for my substitute, or whether he is offering it as an amendment to it.

The PRESIDING OFFICER. The Senator from New Mexico offered it as an amendment to the pending amendment.

Mr. HATCH. Mr. President, let me say that I still offer it as an amendment. It may be that I have tracked and duplicated the language of the Senator from Kentucky. If so, mere repetition would not hurt it. I do not suppose that he would argue that his language would hurt the joint resolution.

Mr. BARKLEY. No; but what the Senator would add to my language would hurt it.

Mr. HATCH. Let the Senator from Kentucky and others say that the productive cost to the farmers of America should not be included in the maximum prices fixed.

Mr. BARKLEY. Mr. President, regardless of what I may say, the productive cost theory has been advanced ever since farm legislation has been before Congress, and that theory has been rejected time and time again by the Congress. It has never been written into any act. What is the use of arguing about it now?

Mr. HATCH. I shall argue it just a moment further, when the Senator has concluded.

I merely wish to say, Mr. President, that for the first time in its history, Congress is fixing a maximum ceiling on

prices. I am not talking about parity, or any such matter. I am simply saying that when whoever administers the act sets a ceiling price, the price so set and fixed ought to include the cost of the article produced. If there is any man alive who can argue against that proposition, I am perfectly willing to listen to him.

Mr. DOWNEY. Mr. President, I assume that I still have the floor.

The PRESIDING OFFICER. The Senator yielded the floor.

Mr. DOWNEY. No. I merely yielded to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator yielded the floor; but the Chair recognizes the Senator from California.

Mr. DOWNEY. Mr. President, have I the floor now?

The PRESIDING OFFICER. The Senator now has the floor.

Mr. REED. Mr. President, will the Senator yield?

Mr. DOWNEY. I should prefer to proceed with my speech.

Mr. REED. Mr. President—

Mr. DOWNEY. Mr. President, I would rather continue.

Mr. REED. Of course, I cannot insist.

Mr. DOWNEY. What am I being asked to yield for?

Mr. REED. For me to make a comment to the Senator from New Mexico, to whom the Senator yielded.

Mr. DOWNEY. Mr. President, I have been on my feet almost an hour, and have spoken for only 20 minutes.

Mr. REED. I have been listening to the Senator. Will the Senator yield for half a minute?

Mr. DOWNEY. Yes; I will yield for half a minute.

Mr. REED. Let me call the attention of the Senator from New Mexico to just what his proposed substitute is.

Mr. HATCH. I am not proposing a substitute.

Mr. REED. It would do no more for the farmer in the way of recovering his production costs than would the amendment to the committee amendment which it is proposed to replace. I do not quite agree with the Senator from Kentucky—

Mr. HATCH. Mr. President, will the Senator yield to me?

Mr. DOWNEY. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. DOWNEY. I yield to the Senator from New Mexico.

Mr. HATCH. The only thing I can say to the Senator from Kansas is that the proposed substitute states negatively, and to my mind in a meaningless jumble of words, what I tried to write out in a very few simple words, so that he who runs may read.

Mr. REED. I think the Senator from New Mexico did a good job. With the indulgence of the Senator from California, let me say that this is a face-saving contest—

Mr. HATCH. Mr. President, will the Senator yield?

Mr. REED. I think there is no real distinction between the pending amend-

ment and the substitute offered by the Senator from New Mexico.

Mr. DOWNEY. Mr. President, under the direction of the majority leader, whom I always like to follow, and occasionally do, I cannot yield any further.

(Mr. DOWNEY resumed his speech. After having spoken for a few minutes, the following debate occurred:)

Mr. HATCH. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield to the Senator from New Mexico.

Mr. HATCH. Mr. President, recently I sent to the desk an amendment. I now modify my amendment. The amendment, as modified, reads as follows:

Provided further, That (1) in fixing maximum prices for any agricultural commodity or for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, all productive costs of such agricultural commodity, including labor, shall be reflected in any such maximum prices so established or fixed by virtue of any authority contained in this joint resolution.

(Mr. DOWNEY resumed his speech. After having spoken for about 30 minutes, the following debate occurred:)

Mr. HATCH. Mr. President, will the Senator yield to me in order that I may suggest the absence of a quorum?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from New Mexico for that purpose?

Mr. DOWNEY. Yes; I do.

Mr. HATCH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Overton
Andrews	Green	Pepper
Austin	Guffey	Radcliffe
Bailey	Gurney	Reed
Ball	Hatch	Reynolds
Bankhead	Hayden	Rosier
Barbour	Herring	Russell
Barkley	Hill	Schwartz
Bilbo	Holman	Shipstead
Bone	Johnson, Calif.	Smathers
Brewster	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Tunnell
Chandler	McKellar	Tydings
Chavez	McNary	Vandenberg
Clark, Idaho	Maloney	Van Nuys
Clark, Mo.	Maybank	Wagner
Connally	Mead	Wallgren
Danaher	Millikin	Walsh
Davis	Murdoch	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	
Gerry	O'Mahoney	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present.

Mr. BARKLEY. Mr. President, will the Senator from California yield to me?

Mr. DOWNEY. I yield.

Mr. BARKLEY. I wish to make a unanimous-consent request, and will preface it by stating that if I can get an

agreement I will move that the Senate recess until 11 o'clock tomorrow, which I will do when we conclude today in any event. But assuming that we will meet at 11 o'clock tomorrow, I ask unanimous consent that beginning at 1 o'clock p. m. tomorrow, no Senator shall speak more than once or longer than 15 minutes on the joint resolution, or on any amendment or substitute, or on any motion pertaining to the joint resolution, or any substitute or any amendment, and that as soon as possible after the Senate convenes at 11 o'clock a. m. tomorrow the Senator from Oklahoma [Mr. THOMAS] shall be recognized to occupy such time as he may choose until 1 o'clock p. m.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. DOWNEY. Mr. President, reserving the right to object, I should like to have the understanding that I may first conclude my remarks.

Mr. THOMAS of Oklahoma. Mr. President, reserving the right to object, I wish to say that we have debated for a week one amendment, and now that the issue is coming to be understood by some of our people, it is suggested that debate be cut off. The substitute amendment has just now opened up the real question, and until we shall have a chance to explain, not only to the Members of the Senate who are going to vote upon it, but to others who may be interested, what the substitute would do, I do not think we are justified in cutting off debate. It has been my experience over 20 years that every time we limit debate we embarrass ourselves. So, for the time being, I must object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOWNEY. Mr. President, I may say to the distinguished majority leader the Senator from Kentucky [Mr. BARKLEY], by way of appealing to his sense of fairness, that I arrived at my office at 7:30 this morning. I have an hour, or 2, or 3 hours' work still to do there. Speaking for myself, I do not object to such procedure as may be followed; I have plenty of strength and energy, but I have certain things I want to say which will probably take me 30 minutes longer. I do not like to impose upon my colleagues when they are tired and worn out.

Mr. President, this is a historic moment in the conflict between the executive and the legislative branches, and I do not believe that the distinguished leader helps himself with the Nation or with Senators by trying to force debate when Senators are tired. The distinguished leader spoke about working 7 hours. I habitually work at least 10 hours, and I have probably worked 12 or 15 today. If the Senator insists upon continuing, I have ample strength to continue, I will say, for some time.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. BROWN. I realize the situation is one in which tempers are somewhat ruffled, and it would be difficult, in my

judgment, to accomplish anything by continuing in session further tonight. I want to urge upon the majority leader and the minority leader that they give consideration to recessing until 11 o'clock tomorrow morning.

If we do so I am rather confident that we shall be able to dispose of the Hatch amendment within the first 2 hours of the session tomorrow, and thereafter work rather rapidly on the remaining matters pertaining to the joint resolution. I realize that it is impossible at this time to obtain an agreement, and I believe it is rather unjust to Senators who have spent so much time in the consideration of the joint resolution to ask that they remain longer tonight. I urge that consideration upon the majority leader.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. HATCH. The Senator referred to my amendment. All I wish to say is that I should like to have not more than 10 minutes tomorrow to discuss it. This is not a filibuster. There is no idea whatever on my part of delaying a vote.

Mr. DOWNEY. Mr. President, if the Senate is now to take a recess, I should like to have the privilege of holding the floor. I will agree that I will not speak for more than 30 minutes tomorrow. Perhaps I shall require even less time than that.

Mr. BARKLEY. Mr. President, I realize the situation which faces the Senate. I do not wish to punish any Senator. I may overestimate the importance of this question to the country and to the Senate. It may be that I exaggerate in my own view the necessity of the Senate acting upon this important, vital question with all the promptness possible.

It may be that I overestimate when I think that the votes which we cast and our labors on this floor are more important than any labors in our offices. I do not believe that our constituents would be greatly aggrieved or outraged if we should delay for a day or two answering some of their letters. My experience is that frequently when we let letters lie over a week they answer themselves.

Notwithstanding that situation, and the importance which I think is attached to disposing of this question as promptly as possible, and in view of the fact that it has been suggested that in any event we would not be permitted to vote tonight even if we should spend the entire night in debate—which I realize is possible, but which I believe would serve no conceivable purpose except possibly further to fray frazzled nerves and increase tension—I shall yield to the importunities of Senators and move that the Senate take a recess until 11 o'clock tomorrow. I wish to renew not only the fervent hope, but the expectation, that Senators will come here tomorrow prepared to dispose of the joint resolution and all the amendments to final passage.

At some suitable hour tomorrow, when it seems appropriate, I shall again make the effort to obtain an agreement to limit

debate, and perhaps fix an hour for a vote.

Mr. DOWNEY. Mr. President, I wish to renew my request for a unanimous-consent agreement that I shall have the floor tomorrow on the convening of the Senate.

Mr. BARKLEY. I have no objection. The PRESIDING OFFICER. The Senator from California requests unanimous consent that he be recognized tomorrow at 11 o'clock. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOWNEY. Mr. President, I should like to make the statement that I shall not occupy the time of the Senate for more than 30 minutes, and perhaps less.

(Mr. DOWNEY'S speech will be published entire after it shall have been concluded.)

Mr. THOMAS of Oklahoma. Mr. President, I have been waiting a week for a roll call. I have taken very little time of the Senate. I assure the Senate that I will not take any more time in the future than I have taken in the past. However, before the vote is taken on the pending amendment—I do not know which one it is—

The PRESIDING OFFICER. The amendment offered by the Senator from New Mexico [Mr. HATCH] to the substitute offered by the Senator from Kentucky [Mr. BARKLEY] is the pending question.

Mr. THOMAS of Oklahoma. As I understand, we have the Barkley amendment, which embraces the Reed amendment, the Tydings amendment, and the O'Mahoney amendment. While I have not consulted the Parliamentarian, I am advised that that amendment has now been modified, and that a portion of it has been stricken out, the portion stricken out being the McKellar amendment, which was agreed to.

Mr. BARKLEY. The Senator is mistaken. There has been no modification of the amendment up to this time.

Mr. THOMAS of Oklahoma. Then my information is incorrect. I accept the word of the majority leader.

Tomorrow I wish a few minutes to state the position in which we find ourselves. There will be no delay on my part in reaching a vote as soon as the Senate wishes to vote.

At this time I wish to submit an amendment, which I ask to have printed in the Record, and to lie on the table. The amendment is not controversial.

Mr. BARKLEY. It would not be in order at this time to offer the amendment. As I understand, the Senator merely wishes to have it printed for the information of the Senate.

Mr. THOMAS of Oklahoma. That is all.

There being no objection, the amendment was ordered to lie on the table, to be printed, and to be printed in the Record, as follows:

At the proper place in the joint resolution add a new section, as follows:

"Sec. —. In order to promote and to secure the necessary production of any commodity

or group of commodities deemed essential to the war effort, the President is hereby authorized to appoint a Director of Supplies applicable to the commodity or group of commodities of which there is either a shortage or a threatened shortage."

Mr. MAYBANK. Mr. President, I regret that I did not have the opportunity this afternoon or this evening to vote on the substitute amendment. In the brief address which I made I stated that I am very much in favor of it. I hope to have that opportunity tomorrow.

PROFIT LIMITATIONS ON NAVAL AND ARMY CONTRACTS

Mr. WALSH. Mr. President, in view of the fact that the Senate is soon to consider changes in the laws pertaining to renegotiation of contracts, I ask unanimous consent to have printed in the Record a brief history of the efforts of Congress since 1934 to place profit limitations on naval and Army contracts.

There being no objection, the statement was ordered to be printed in the Record, as follows:

HISTORY OF PROFIT LIMITATIONS ON NAVAL AND ARMY CONTRACTS

(By DAVID I. WALSH)

I have had prepared, with the assistance of the Treasury, for the information of the Members of the Senate and the Finance Committee a brief history of profit-limiting legislation.

(1) The first attempt in recent years providing for limitation of profits on Government contracts was in connection with the manufacture and construction of naval vessels and naval aircraft in 1934 (Vincent-Trammell Act). This law required the contractor, or subcontractor, to pay into the Treasury any excess profit realized on a particular contract by limiting the allowable profit to 10 percent of the total contract price.

(2) In June 1936 this act was amended forbidding contractors, or subcontractors, to combine all contracts or subcontracts completed in any taxable year to determine whether a profit in excess of 10 percent had been made. This law also permitted any contractor, or subcontractor, to carry forward a net loss on any contract completed in an income taxable year and take it as a credit in determining the excess profits on contracts completed in the next succeeding income taxable year.

(3) The next action taken was on April 3, 1939. One of the sections of this act provided that contracts for Army aircraft (heretofore the law only applied to naval contracts) should be subject to the limitation of profits contained in the Vincent-Trammell Act of 1934. It also increased the allowable profit from 10 to 12 percent in the case of Army and Navy aircraft, retaining the allowable profit to 10 percent in the case of naval vessels. A more liberal net loss carry-over was also provided, extending the time for carrying forward such losses in determining the excess profits to 4 succeeding income taxable years.

It should be noted that these provisions, increasing the allowable profit and providing for a more liberal net loss carry-over, were applicable only to contracts in the manufacture of Army and Navy aircraft and not applicable to the contracts for construction of naval vessels.

(4) In the following year, on June 28, 1940, in an effort to limit profits because of the large building expansion, an act was passed changing the allowable profits on naval vessels and Army and Navy aircraft to 8 percent of the contract price, or 8.7 percent of the

cost of performing the contract on other than prime contracts made on a cost-plus-a-fixed-fee basis, in lieu of the 10 percent previously applicable to naval vessels and the 12 percent applicable to the Army and Navy aircraft.

(5) Shortly after this act was adopted, because of contractors' complaints of uncertainty of costs and delays in obtaining supplies and parts, Congress in the Second Supplemental National Defense Appropriation Act, September 9, 1940, amended the profit-limiting provisions of the act of June 28, 1940, by removing from the operations of such section contracts entered into after September 9, 1940, for the manufacture of Army and Navy aircraft. The effect of this amendment was to increase the allowable profit under the Vincent-Trammell Act on contracts for Army and Navy aircraft from 8 to 12 percent and to retain the allowable profit at 8 percent on naval vessels, as fixed by the act of June 28, 1940.

(6) A few weeks later another change in policy was made. In section 401 of the Second Revenue Act of 1940, October 8, 1940, the profit-limiting provisions of the Vincent-Trammell Act and those of the act of June 28, 1940, were suspended in cases of all contracts and subcontracts which were entered into during taxable years and to which the excess-profit tax is applicable (taxable years beginning after December 31, 1939). This suspension was applicable also to contracts and subcontracts which were entered into prior to the date when the contractor, or subcontractor, became subject to the excess-profits tax and which were not completed before such date. The effect of this section was to remove profit-limiting provisions affecting particular Army and Navy contracts (naval vessels and Army and Navy aircraft), and, thereby, made contractors who since 1934 had been subject to profit limitations subject only in the future to the excess-profits tax the same as the other corporations.

NEGOTIATION OF CONTRACTS

In Public Law No. 43, approved April 23, 1939, Congress for the first time since World War I, authorized the Secretary of the Navy to negotiate, without competitive bidding, contracts for certain public works projects outside the continental limits of the United States on a cost-plus-a-fixed-fee basis. This act provided that the fixed-fee should not exceed 10 percent of the estimated cost of the contract, exclusive of the fee. This method of negotiating contracts has been extended from time to time to include practically all public works contracts, but the fixed fee is now limited to 6 percent of the estimated cost of the contract and in actual practice averages about 4 or 5 percent.

A few months later the Navy Department requested authorization to negotiate without competitive bidding, contracts for construction of naval vessels and aircraft, the Army already having such authority in contracting for Army aircraft. Section 2A of Public Law 671 of June 28, 1940, authorized the Secretary of the Navy to negotiate contracts for the acquisition, construction, repair, or alteration of naval vessels or aircraft and of machine tools and their equipment without advertising or competitive bidding. This section however provided that if the fixed-fee contract was used the amount to be paid by the War Department or Navy Department (so as to put them both on an equal basis) should not exceed 7 percent of the estimated cost of the contract, exclusive of the fee.

Section 2 b (2) of this same law, Public Law 671 of June 28, 1940, however, provided that any profit in excess of 8.7 percent of the cost of performing such contracts, except prime contracts, made on a cost-plus-a-fixed-fee basis, shall be considered to be profits in excess of 8 percent of the total contract prices of such contracts.

It is to be noted that this law of June 28, 1940, places a distinct limitation on the profits on contracts negotiated on a fixed-price basis as well as contracts made on a cost-plus-a-fixed-fee basis.

Very shortly after this law was adopted Congress, in the appropriation bill of September 9, 1940, increased the allowable profit to 12 percent on both Army and Navy aircraft and left it at 8 percent on naval vessels. Within a few weeks thereafter, namely in the Second Revenue Act of 1940, October 8, 1940, Congress removed all profit limitation provisions on competitive bid contracts or negotiated contracts at a fixed price leaving the contractors with war contracts in the same position as all other taxpayers subject only to the excess-profits tax.

TYPES OF CONTRACTS

There are now four methods of making contracts with the Government, to wit:

1. By competitive bidding at a fixed price.
2. By negotiation at a fixed price.
3. By negotiation on a cost-plus-a-fixed-fee basis for certain articles and equipment where the fixed fee is not to be more than 7 percent of the estimated cost.
4. By negotiation on a cost-plus-a-fixed-fee basis for naval public works projects where the fixed fee shall not exceed 6 percent of the estimated cost.

ATTEMPTS OF 8 YEARS

It is a fact that during the past 8 years attempts have been made to limit excessive profits on the manufacture of war materials and that neither the Congress, the Treasury Department, the War Department, the Navy Department, the Maritime Commission, nor any other department of the Government has as yet been able to formulate a satisfactory plan of eliminating excessive profits or recapturing excess profits on the production of war materials.

It is also a fact that during the past 8 years, without consultation or unity of action, the Naval Affairs Committee, the Military Affairs Committee, the Appropriations Committee, and the Finance Committee have at various times dealt with this subject with the result that one law after the other has been repealed and constant changes have been made in the attempts to control war-contract profits.

RENEGOTIATION OF WAR CONTRACTS LAW

It became apparent to the Senate Appropriations Committee that many negotiated contracts were awarded before either of the contracting parties had any accurate idea as to the actual cost of producing the article on a mass production basis. Firms and corporations naturally bid very high or negotiated at a very high price in order to play safe. When the actual cost of manufacturing the article became known it was apparent that some firms were making an excessive profit, and both the Government and the manufacturer desired to renegotiate the contract in order to reduce the cost to the Government.

This led to the enactment of section 403 of Public Law No. 523 (April 8, 1942), authorizing the renegotiation of contracts, but did not set any standards for determining excess profits and left this matter entirely in the hands of officials of the Government.

This law authorized and directed the Secretaries of the War and Navy Departments and the Maritime Commission to insert in any contract where the amount is in excess of \$100,000 provisions for the renegotiating of the contract prices at a period or periods when, in the judgment of the Secretaries, profits can be determined with reasonable certainty.

It also contained a provision for the retention by the United States or the repayment to the United States any amount of the contract prices which were found to be excessive profits. It permits the renegotiation of sub-

contracts as well as prime contracts where excessive profits could be determined.

This law is to remain in force during the continuation of the present war and for 3 years after the termination of the war.

PROPOSED CHANGES IN RENEGOTIATION OF WAR CONTRACTS LAW

The Finance Committee of the Senate is now studying the operation of this law and considering changes and amendments that have been proposed by the Departments and representatives of contractors having Government war contracts.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By **Mr. McKellar**, from the Committee on Post Offices and Post Roads:

Several postmasters.

By **Mr. Chandler**, from the Committee on Military Affairs:

Several citizens for appointment as officers in the Army Specialist Corps, established under an Executive order.

The **PRESIDING OFFICER** (Mr. Lee in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF THE INTERIOR

The legislative clerk read the nomination of Paul B. Witmer to be register of the land office at Los Angeles, Calif.

The **PRESIDING OFFICER.** Without objection, the nomination is confirmed.

The legislative clerk read the nomination of William F. Jackson to be register of the land office at The Dalles, Oreg.

The **PRESIDING OFFICER.** Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceed read sundry nominations of postmasters.

The **PRESIDING OFFICER.** Without objection, the nomination of postmasters are confirmed en bloc.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations confirmed today.

The **PRESIDING OFFICER.** Without objection, the President will be notified forthwith.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 11 o'clock a. m. tomorrow.

The motion was agreed to; and (at 7 o'clock and 10 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, September 30, 1942, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 29 (legislative day of September 21), 1942:

DEPARTMENT OF THE INTERIOR

REGISTERS OF LAND OFFICES

Paul B. Witmer to be register of the land office at Los Angeles, Calif.

Sept. 30

77TH CONGRESS
2D SESSION

H. R. 7565

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 30 (legislative day, SEPTEMBER 21), 1942

Ordered to be printed with the amendments of the Senate

AN ACT

To amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That in order to aid in the effective prosecution of the war,
4 the President is authorized and directed to stabilize prices,
5 wages, and salaries affecting the cost of living; and such
6 stabilization shall so far as practicable be on the basis of the
7 levels which existed on August 15, 1942. In exercising the
8 authority conferred by this Act, the President may provide
9 for making adjustments with respect to such prices, wages,
10 and salaries to the extent that he finds necessary to correct
11 gross inequities.

1 SEC. 2. The President may, from time to time, promul-
2 gate such regulations as may be necessary and proper to
3 carry out any of the provisions of this Act, and may exercise
4 any power or authority conferred upon him by this Act
5 through such department, agency, or officer as he shall direct.

6 SEC. 3. Notwithstanding any provision of the Emergency
7 Price Control Act of 1942, no maximum price shall be estab-
8 lished or maintained for any agricultural commodity under
9 authority of this Act or otherwise below a price which will
10 reflect to producers of agricultural commodities the higher of
11 the following prices, as determined and published by the Sec-
12 retary of Agriculture—

13 (1) The parity price for such commodity (adjusted
14 by the Secretary of Agriculture for grade, location, and
15 seasonal differentials) or, in case a comparable price
16 has been determined for such commodity under and in
17 accordance with the provisions of sections 3 (b) of the
18 Emergency Price Control Act of 1942, such comparable
19 price (adjusted in the same manner); or

20 (2) The highest price received by the producers
21 for such commodity from January 1, 1942, to Septem-
22 ber 15, 1942, inclusive (adjusted by the Secretary of
23 Agriculture for grade, location, and seasonal differen-
24 tials); or, if the market for such commodity was inactive
25 during the latter half of such period, a price for the

commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use;

and no maximum price shall be established or maintained under authority of this Act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section: *Provided, however,* That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a fair and reasonable margin shall be allowed for such processing: *Provided,* That the President may adjust the price for any commodity between January 1, 1942, and September 15, 1942, to the extent that he finds necessary to correct gross inequities.

For the purposes of this Act parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

SEC. 4. No action shall be taken under authority of this Act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act

1 of 1938, as amended; (2) which is inconsistent with any
2 recommendation or order of any agency of the Federal Gov-
3 ernment affecting the wages or salaries of employees whose
4 cases were pending before such agency on September 15,
5 1942, and were undetermined on the date of enactment of
6 this Act; or (3) with respect to wages or salaries which have
7 not reached a 15 per centum increased cost of living level
8 above the wages or salaries paid on January 1, 1941; or (4)
9 for the purpose of reducing the wages or salaries for any
10 particular work below the highest wages or salaries paid
11 therefor between January 1, 1942, and September 15, 1942:
12 *Provided*, That the President may adjust wages or salaries
13 to the extent that he finds necessary to correct gross inequities.

14 SEC. 5. No employer shall pay, and no employee shall
15 receive, any further increase in wages or salaries unless ap-
16 proved by the President or such agency as he may designate.
17 The President shall prescribe the extent to which any wage
18 or salary payment made in contravention of this Act shall be
19 disregarded by the executive departments and other govern-
20 mental agencies in determining the costs or expenses of any
21 employer for the purposes of any other law or regulation:
22 *Provided*, That this section shall not apply to any employer
23 who regularly employs less than eight persons nor to any
24 employee of any employer who regularly employs less than
25 eight persons.

SEC. 6. The foregoing provisions of this Act, and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution or the President, may prescribe.

SEC. 7. The Act entitled "An Act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes", approved July 4, 1944 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a-8), is amended by inserting at the end thereof the following new section:

"SEC. 5. The Secretary of Agriculture is authorized and directed to make loans and purchases and to carry on other operations with respect to nonbasic agricultural commodities for which he finds it necessary to encourage the expansion of production and with respect to basic agricultural commodities, harvested after December 31, 1941, and before the expiration of the three-year period beginning with the 1st day of January immediately following the date upon which the President proclaims the termination of hostilities in the present war, regardless of the purpose for which such commodities are produced or used, so as to support the price for the producers of such commodities at not less than 90 per centum of the parity price therefor, or at not less than 90 per centum of the comparable price therefor if a comparable price has been established under this Act. In the case of agricultural

1 commodities on which loans are made; such loans shall be
2 made at 90 per centum of the parity price therefor; or at
3 90 per centum of the comparable price therefor if a compa-
4 rable price has been established under this Act."

5 SEC. 8. Any individual, corporation, partnership, or asso-
6 ciation willfully violating any provision of this Act, or of any
7 regulation promulgated thereunder, shall, upon conviction
8 thereof, be subject to a fine of not more than \$5,000, or to
9 imprisonment for not more than one year, or to both such
10 fine and imprisonment.

11 SEC. 9. Section 1 (b) of the Emergency Price Control
12 Act of 1942 is hereby amended by striking out "June 30,
13 1943" and substituting "June 30, 1944".

14 *That in order to aid in the effective prosecution of the war,*
15 *the President is authorized and directed, on or before No-*
16 *vember 1, 1942, to issue a general order stabilizing prices,*
17 *wages, and salaries, affecting the cost of living; and, except*
18 *as otherwise provided in this Act, such stabilization shall*
19 *so far as practicable be on the basis of the levels which*
20 *existed on September 15, 1942. The President may there-*
21 *after provide for making adjustments with respect to prices,*
22 *wages, and salaries, to the extent that he finds necessary to*
23 *correct gross inequities, and to the extent that he finds neces-*
24 *sary to aid in the effective prosecution of the war: Provided,*
25 *That rates charged by any common carrier or other public*

1 utility on September 15, 1942, shall not be increased without
 2 the consent of the President: Provided further, That nothing
 3 in this section shall be construed as affecting the power or
 4 authority of any Federal, State, or municipal authority or
 5 agency to reduce prices, rates or charges subject to its juris-
 6 diction, or to equalize the rates and charges of common
 7 carriers.

8 SEC. 2. The President may, from time to time, promul-
 9 gate such regulations as may be necessary and proper to
 10 carry out any of the provisions of this Act; and may
 11 exercise any power or authority conferred upon him by this
 12 Act through such department, agency, or officer as he shall
 13 direct. The President may suspend the provisions of sections
 14 3 (a) and 3 (c) and clauses (1) and (2) of section
 15 302 (c) of the Emergency Price Control Act of 1942 to
 16 the extent that such sections are inconsistent with the pro-
 17 visions of this Act, but he may not under the authority of
 18 this Act suspend any other law or part thereof.

19 SEC. 3. No maximum price shall be established or main-
 20 tained for any agricultural commodity under authority of this
 21 Act or otherwise below a price which will reflect to producers
 22 of agricultural commodities the higher of the following
 23 prices, as determined and published by the Secretary of
 24 Agriculture—

25 (1) The parity price for such commodity (adjusted

1 by the Secretary of Agriculture for grade, location, and
2 seasonal differentials) or, in case a comparable price
3 has been determined for such commodity under and in
4 accordance with the provisions of section 3 (b) of the
5 Emergency Price Control Act of 1942, such comparable
6 price (adjusted in the same manner), or

7 (2) The highest price received by such producers
8 for such commodity between January 1, 1942, and Sep-
9 tember 15, 1942 (adjusted by the Secretary of Agricul-
10 ture for grade, location, and seasonal differentials), or, if
11 the market for such commodity was inactive during the
12 latter half of such period, a price for the commodity de-
13 termined by the Secretary of Agriculture to be in line
14 with the prices, during such period, of other agricultural
15 commodities produced for the same general use;

16 and no maximum price shall be established or maintained
17 under authority of this Act or otherwise for any commodity
18 processed or manufactured in whole or substantial part from
19 any agricultural commodity below a price which will reflect
20 to the producers of such agricultural commodity a price
21 therefor equal to the higher of the prices specified in clauses
22 (1) and (2) of this section: Provided, That the President
23 may, without regard to the limitation contained in clause
24 (2), adjust any such maximum price to the extent that he
25 finds necessary to correct gross inequities: Provided further,

1 That modifications shall be made in maximum prices estab-
2 lished for any agricultural commodity and for commodities
3 processed or manufactured in whole or substantial part from
4 any agricultural commodity, under regulations to be pre-
5 scribed by the President, in any case where it appears that
6 such modification is necessary to increase the production of
7 such commodity for war purposes, or where by reason of
8 increased labor or other costs to the producers of such agri-
9 cultural commodity incurred since January 1, 1941, the
10 maximum prices so established will not reflect such increased
11 costs: And provided further, That in the fixing of maximum
12 prices on products resulting from the processing of agricul-
13 tural commodities, including livestock, a generally fair and
14 equitable margin shall be allowed for such processing: And
15 provided further, That in fixing price maximums for agri-
16 cultural commodities and for commodities processed or manu-
17 factured in whole or substantial part from any agricultural
18 commodity, as provided for by this Act, adequate weighting
19 shall be given to farm labor; but nothing in this section shall
20 be construed to permit the establishment in any case of a
21 maximum price below a price which will reflect to the pro-
22 ducers of any agricultural commodity the price therefor
23 specified in clause (1) of this section.

24 SEC. 4. No action shall be taken under authority of

1 *this Act with respect to wages or salaries (1) which is*
2 *inconsistent with the provisions of the Fair Labor Stand-*
3 *ards Act of 1938, as amended, or the National Labor*
4 *Relations Act, or (2) for the purpose of reducing the wages*
5 *or salaries for any particular work below the highest wages*
6 *or salaries paid therefor between January 1, 1942, and*
7 *September 15, 1942: Provided, That the President may,*
8 *without regard to the limitation contained in clause (2),*
9 *adjust wages or salaries to the extent that he finds neces-*
10 *sary to correct gross inequities.*

11 *SEC. 5. (a) No employer shall pay, and no employee*
12 *shall receive, wages or salaries in contravention of the*
13 *regulations promulgated by the President under this Act.*
14 *The President shall also prescribe the extent to which any*
15 *wage or salary payment made in contravention of such regu-*
16 *lations shall be disregarded by the executive departments and*
17 *other governmental agencies in determining the costs or*
18 *expenses of any employer for the purposes of any other law*
19 *or regulation.*

20 *(b) Nothing in this Act shall be construed to prevent*
21 *the reduction by any private employer of the salary of any*
22 *of his employees which is at the rate of \$5,000 or more per*
23 *annum.*

24 *(c) The President shall have power by regulation to*
25 *limit or prohibit the payment of double time except when,*

1 because of emergency conditions, an employee is required to
2 work for seven consecutive days in any regularly scheduled
3 work week.

4 (d) Any person who wilfully violates any regulation
5 promulgated by the President under this Act relating to wages
6 or salaries, shall, upon conviction thereof, be fined not more
7 than \$1,000.

8 SEC. 6. The* provisions of this joint resolution (except
9 sections 8 and 9), and all regulations thereunder, shall termi-
10 nate on June 30, 1944, or on such earlier date as the Con-
11 gress by concurrent resolution, or the President by proclama-
12 tion, may prescribe.

13 SEC. 7. (a) Section 1 (b) of the Emergency Price Con-
14 trol Act of 1942 is hereby amended by striking out "June 30,
15 1943" and substituting "June 30, 1944".

16 (b) All provisions (including prohibitions and penal-
17 ties) of the Emergency Price Control Act of 1942 which are
18 applicable with respect to orders or regulations under such
19 Act shall, insofar as they are not inconsistent with the pro-
20 visions of this Act, be applicable in the same manner and for
21 the same purposes with respect to regulations or orders issued
22 by the Price Administrator in the exercise of any functions
23 which may be delegated to him under authority of this Act.

24 (c) Nothing in this Act shall be construed to invalidate
25 any provision of the Emergency Price Control Act of 1942

1 (except to the extent that this Act is inconsistent with sec-
2 tions 3 (a) and 3 (c) of such Act), or to invalidate any
3 regulation, price schedule, or order issued or effective under
4 such Act.

5 SEC. 8. (a) The Commodity Credit Corporation is
6 authorized and directed to make available upon any crop of
7 the commodities cotton, corn, wheat, rice, tobacco, and pea-
8 nuts for the year 1942 or any subsequent calendar year which
9 begins during the continuance of the present war, if pro-
10 ducers have not disapproved marketing quotas for such com-
11 modity for the marketing year beginning in the calendar
12 year in which such crop is harvested, loans as follows:

13 (1) To cooperators (except cooperators outside the
14 commercial corn-producing area, in the case of corn)
15 at the rate of 90 per centum of the parity price for the
16 commodity as of the beginning of the marketing year;

17 (2) To cooperators outside the commercial corn-
18 producing area, in the case of corn, at the rate of 75 per
19 centum of the rate specified in (1) above;

20 (3) To noncooperators (except noncooperators out-
21 side the commercial corn-producing area, in the case of
22 corn) at the rate of 60 per centum of the rate specified
23 in (1) above and only on so much of the commodity
24 as would be subject to penalty if marketed.

25 (b) All provisions of law applicable with respect to loans

1 under the Agricultural Adjustment Act of 1938, as amended,
2 shall, insofar as they are not inconsistent with the provisions
3 of this section, be applicable with respect to loans made under
4 this section.

5 SEC. 9. (a) Section 4 (a) of the Act entitled "An Act
6 to extend the life and increase the credit resources of the
7 Commodity Credit Corporation, and for other purposes",
8 approved July 1, 1941 (U. S. C., 1940 edition, Supp. I,
9 title 15, sec. 713a-8), is amended—

10 (1) By inserting after the words "so as to support" a
11 comma and the following: "during the continuance of the
12 present war,".

13 (2) By striking out "85 per centum" and inserting in
14 lieu thereof "90 per centum".

15 (3) By inserting after the word "tobacco" a comma
16 and the word "peanuts".

17 (b) The amendments made by this section shall, irre-
18 spective of whether or not there is any further public an-
19 nouncement under such section 4 (a), be applicable with
20 respect to any commodity with respect to which a public
21 announcement has heretofore been made under such section
22 4 (a).

23 SEC. 10. When used in this Act, the terms "wages"
24 and "salaries" shall include additional compensation, on
25 an annual or other basis, paid to employees by their

1 *employers for personal services (excluding insurance and*
2 *pension benefits in a reasonable amount to be determined by*
3 *the President); but for the purpose of determining wages or*
4 *salaries for any period prior to September 16, 1942, such*
5 *additional compensation shall be taken into account only in*
6 *cases where it has been customarily paid by employers to*
7 *their employees.*

Amend the title so as to read: "An Act to aid in stabilizing the cost of living".

Passed the House of Representatives September 23, 1942.

Attest:

SOUTH TRIMBLE,

Clerk.

Passed the Senate with amendments September 30 (legislative day, September 21), 1942.

Attest:

EDWIN A. HALSEY,

Secretary.

77TH CONGRESS
2D SESSION

H. R. 7565

AN ACT

To amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 30 (legislative day, SEPTEMBER 21), 1942

Ordered to be printed with the amendments of the
Senate

character and capabilities as expressed by the Honorable Glenn J. Talbott into the RECORD.

ADDRESS BY SENATOR LUCAS TO THE MASSACHUSETTS DEMOCRATIC CONVENTION

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address delivered by Senator Lucas in Boston on September 26, 1942, before the Democratic Convention of Massachusetts, which appears in the Appendix.]

DRAFT OF 18- AND 19-YEAR-OLD MEN—STATEMENT BY SENATOR BURTON

[Mr. BURTON asked and obtained leave to have printed in the RECORD a statement made by him over the radio September 20, 1942, relative to the drafting of 18- and 19-year-old men, which appears in the Appendix.]

ADDRESS BY SENATOR BROOKS TO YOUNG REPUBLICAN ORGANIZATION OF ILLINOIS

[Mr. BROOKS asked and obtained leave to have printed in the RECORD an address delivered by him in Peoria, Ill., on September 27, 1942, at the annual convention of the Young Republican Organization of Illinois, which appears in the Appendix.]

ADDRESS BY SENATOR BROOKS TO THE FEDERATION OF ILLINOIS WOMEN'S REPUBLICAN CLUBS

[Mr. BROOKS asked and obtained leave to have printed in the RECORD an address delivered by him in Washington on September 28, 1942, and broadcast over the radio to the annual convention of the Federation of Illinois Women's Republican Clubs, held at the Abraham Lincoln Hotel, Springfield, Ill., which appears in the Appendix.]

ADDRESS BY LOUIS JOHNSON BEFORE AMERICAN LEGION CONVENTION

[Mr. ROSIER asked and obtained leave to have printed in the RECORD the address delivered by Hon. Louis Johnson before the National Convention of the American Legion at Kansas City, Mo., on September 19, 1942, which appears in the Appendix.]

FOOD SHORTAGES—TELEGRAM FROM ROBERT A. HUDSON

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD a telegram relative to food shortages, addressed to him by Robert A. Hudson, of Portland, Oreg., which appears in the Appendix.]

CONGRESS AND PRICE CONTROL—ARTICLE BY GEORGE ROTHWELL BROWN

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an article by George Rothwell Brown published in the Baltimore News Post of September 29, 1942, which appears in the Appendix.]

THE SILVER POLICY—ARTICLE FROM BOSTON (MASS.) POST

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an article with reference to the national silver policy, written by Robert L. Norton and published in the Boston Post of September 20, 1942, which appears in the Appendix.]

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	O'Mahoney
Andrews	Green	Overton
Austin	Guffey	Pepper
Bailey	Gurney	Radcliffe
Ball	Hatch	Reed
Bankhead	Hayden	Reynolds
Barbour	Herring	Rosier
Barkley	Hill	Russell
Bilbo	Holman	Schwartz
Bone	Johnson, Calif.	Shipstead
Brewster	Johnson, Colo.	Smathers
Brooks	Kilgore	Smith
Brown	La Follette	Spencer
Bunker	Langer	Stewart
Burton	Lee	Taft
Butler	Lodge	Thomas, Idaho
Capper	Lucas	Thomas, Okla.
Caraway	McCarran	Thomas, Utah
Chandler	McFarland	Tobey
Chavez	McKellar	Tunnell
Clark, Idaho	McNary	Tydings
Clark, Mo.	Maloney	Vandenberg
Connally	Maybank	Van Nuys
Danaher	Mead	Wagner
Davis	Millikin	Wallgren
Downey	Murdock	Walsh
Doxey	Murray	Wheeler
Ellender	Norris	White
George	Nye	Wiley
Gerry	O'Daniel	Willis

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] and the junior Senator from Virginia [Mr. BYRD] are necessarily detained.

The Senator from Missouri [Mr. TRUMAN] has been called to his State on important public business, and is therefore necessarily absent.

The PRESIDING OFFICER (Mr. WALLGREN in the chair). Ninety Senators having answered to their names, a quorum is present.

Under the unanimous consent agreement, the junior Senator from California [Mr. DOWNEY] is recognized.

[Mr. DOWNEY resumed and concluded the speech begun by him yesterday. His speech, entire, is as follows:]

Tuesday, September 29, 1942

Mr. DOWNEY. Mr. President, it is with extreme reluctance that I rise again to address the Senate upon the pending proposal. I do so only out of a sense of the urgent need of this Nation and, particularly, as far as I am concerned, of the farmers of California.

Today as we are debating tens of thousands of farmers in California are contemplating if they should abandon their farms for more profitable and more pleasant work. Indeed, thousands of farmers have already done so. Either rightly or wrongly, the attitude represented by the administration has led our farmers to believe that the administration is unsympathetic with them, and does not comprehend their problems.

I have for the President of the United States, for our majority leader [Mr. BARKLEY], and for the Senator from Michigan [Mr. BROWN], who has the pending joint resolution in charge, only the highest respect and admiration, but I say that their arguments and their statements of fact have not always been realistic and candid, and, briefly as I can, I desire to point out facts which

have heretofore been emphasized, but, nevertheless, I shall repeat them to sustain the statement I have just made.

When the Chief Executive called for the immense war program which is now under way, it should have been apparent to him and to every one of his executives that if that program were attempted, this very day would be at hand. Why do I say that? Let us consider a few basic figures.

The President of the United States demanded for this fiscal year a military production equivalent in money to \$75,000,000,000. That \$75,000,000,000 represented far more than the average national income for the last decade. It meant two and a half times the ability of the German nation to produce war goods and services, for their productive power for military purposes is rated at only \$30,000,000,000. Indeed, Mr. President, we have embarked now upon a program under which we are committed to producing more war goods and services than all the rest of the world combined.

We seem in some way to lack realism, we seem to lack understanding of figures, for, while our Chief Executive was calling for that immense effort, our Army was dreaming and our Navy was hoping to build up armed forces of ten or fifteen million men, and our farmers were called upon for the labor and sacrifice which would increase the yield of our fertile acres by from 20 to 25 percent.

I ask, Mr. President, What was the error made by Mr. Henderson in his advice to the President of the United States, and where did he fail realistically to understand the inflation problem? Mr. Henderson honestly and sincerely believed that he could generally freeze wages, salaries, and prices all along the line. That sounds rational and reasonable, and it was the policy upon which Mr. Henderson embarked. It was, in effect, the demand which was made by the President upon our farmers.

Where is the error of that reasoning, and where will it lead us to if it is persisted in? I say, Mr. President, it will lead us almost into a semirevolution. Why? Because the kind of production we are hoping for meant that every person in the Nation who could work would have to work hard, faithfully, diligently. It meant that the great groups of people who were pauperized and degraded, in comparison with the other segments of the population, would be compelled to labor at that same low level, far below the national standard.

Our distinguished majority leader today told us about working for 50 cents a day on a southern farm, and that his wage was finally raised to a dollar a day. "Yes," said our distinguished leader, "the lot of the farm worker and many of the farmers is the most unfortunate in the Nation. But," said he, "we cannot hope to now improve their condition. We dare not raise the price to the farmer so that he and his hired hand can be brought into parity with the rest of the Nation, because, if we do that, the workers of the Nation will want higher wages and the upward spiral will have begun its destructive work."

Mr. President, human nature will not be changed by the ipse dixit of the President or of Mr. Henderson. Farm laborers and small farmers cannot be forced to work on farms at one-half the compensation they can obtain by leaving the farms or farm jobs. It simply cannot be done; it will not be done; and unless the administration in Washington recognizes the vital problem of again redistributing among the farm population a return sufficient to bring them somewhere near the level enjoyed by others we shall have a complete collapse in the production of farm crops.

Mr. President, our distinguished leader gave us some figures showing the great increase in the gross amount received by farmers in 1942 as compared with 1939. But he did not tell us that a substantial portion of that increase came from increased production resulting from farmers working 12, 13, 14, and 15 hours a day. It is true the farm bill for hired labor has not increased very much because the farmers and their wives and daughters have worked almost beyond endurance to increase the farm production of the Nation to such a point that the Secretary of Agriculture has characterized the result a miracle. I would say of the farmers of California that they deserve the tribute and blessing of our people because by diligence, work, ability, and toil they have increased our farm production in 1 year perhaps 25 percent. So, Mr. President, the majority leader, after reciting the gross income of our farmers as of today, left us with the implication of their well-being.

Mr. President, let us candidly and fairly see how well off are the farmers of America.

(At this point Mr. DOWNEY yielded to Mr. THOMAS of Oklahoma; debate ensued, the absence of a quorum was suggested, and the roll was called, following which further debate ensued.)

Mr. DOWNEY. Mr. President, when I yielded for the quorum call, I was about to suggest certain figures which are known to all Senators, and which to my mind show that the fundamental problem is far greater than we are yet admitting. The figures for 1942 indicate that the income per person on the farm from agriculture is just 36 percent of the income per person not on the farm. The distinguished Senator from Oklahoma stated the proposition in another way, that is, that the 22 percent of our people on the farms have only 10 percent of the national income.

I ask you, Mr. President, can the ipse dixit of any man, or the command of any military chief, make it possible for us to force a farmer to stay upon his farm and work, or the farm worker to work for him, when over the hill they can get two or three times as much as they would receive upon the farm?

(At this point Mr. DOWNEY yielded to Mr. HATCH, who offered a modified amendment to the amendment of Mr. BARKLEY.)

Mr. DOWNEY. Mr. President, I should like to place in the RECORD the figures for 1941 and 1942.

Mr. President, with these basic figures and theories in mind, I went to California a month ago to see what condi-

tions were as of that date—not to guess what is going to happen next year, but to learn what is happening right now.

Because our farmers have not been able to pay a sufficient wage to farm workers in California we shall lose 20 or 30 percent of our farm crops this year. Today we are attempting to harvest our sugar beets and tomatoes. Tens of thousands of acres of those crops are lying, and will continue to lie, unused on the ground, because our farmers cannot afford to pay the wages demanded by workers to harvest those crops. I prophesy that if the word does not go out to the farmers of California that their problems are to be understood, that their labor is to be provided for, and that they are to be allowed for their crops a price with which they can obtain labor in competition with industry, our farm production in California will fall to not more than 50 percent of what it is today.

Mr. President, when our Chief Executive delivered his now very famous address attributing inflation to the increase in farm prices and the failure of Congress to act, I talked with scores of farmers and farm leaders in the State of California. Let me cite one typical case, which could be multiplied by the tens of thousands.

I cite the case of a chicken farmer who had had two sons assisting him on the farm. The labor of three men was required. His sons were drafted into the Army. His daughter left a job as a typist, and with his wife assisted him. By working 15 or 16 hours a day, those three were able to operate that chicken ranch.

When there came from Washington statements and suggestions apparently blaming the farmer for inflation and apparently saying that farm labor should not be considered as a factor in the computation of parity prices, the chicken farmer to whom I have referred decided to leave his farm. Why? Because working as a carpenter, by himself, he could make more money than he could make by running his chicken ranch, and if he continues to run his chicken ranch he has no assurance that next year he will be able to obtain the supplies he will need in order to maintain his business.

Mr. President, we in Washington are so far divorced from the realities of life that we do not even know what is going on. The truth is that it has only been with the greatest hardships and difficulties that the farmers have managed their business this year. Our military leaders expect to build up our armed forces from four or five million men to ten or eleven million men. During the next year we expect to absorb ten or twelve million more workers in war industry. With these facts circulating among the farmers of the Nation, crops are not going to be planted, farms will be abandoned.

I admit to the same sense of horror of inflation possessed by anyone else. I know the amount of real wealth in this country is limited. But I, for one, am not willing to act upon any policy in the Senate which does not indicate an intention to bring a higher degree of prosperity and well-being to the farmers of the United States. I say, Mr. President, even though there is a desire to freeze them in their present subnormal stand-

ards, it cannot be done; it is not possible to make a man work on the farm for \$2 or \$3 a day when he can get \$6 or \$8 somewhere else.

I am free to admit that the substitute proposed by the Senator from Kentucky would very possibly bring the same result the Thomas amendment would bring. I have heard that statement made by the distinguished Senator from Nebraska, if I understood him, and I heard him say that since our amendment and the administration substitute would produce about the same results democratic principles would best be served by having Congress give way to the Chief Executive.

The Constitution of the United States provides that the legislative power shall be vested in Congress. If any Senator believes that the President should entirely usurp the legislative field, should entirely negate the provisions of our Constitution, then that Senator should believe that we should give way. But I cannot agree with such a contention. The President of the United States called upon Congress to legislate upon the subject we are now considering. Now we have adopted the Thomas amendment; and I say that 90 percent of the membership of the House of Representatives and 90 percent of the Senators believe that what we have done is right. Ninety percent of the Senate, if they were not under the whip and spur of editorial writers and commentators, if they were not under the insistence and persuasion of the Chief Executive, would overnight have passed the pending joint resolution providing for the inclusion of labor in computing farm prices. I am not one who is willing to repudiate a legislative proposal I know to be right.

Mr. President, if I believed that the President of the United States had suggested to the Senate a more just and a better proposal, I would be the first to swing to that proposal. But I fail to see how any Senator can believe that we can preserve democracy by setting aside an amendment in which we ourselves believe to accept a substitute because it is wanted by the President.

(At this point Mr. DOWNEY yielded to Mr. HATCH, who suggested the absence of a quorum, and the roll was called, following which debate ensued, and Mr. DOWNEY yielded the floor for the day.)

Wednesday, September 30, 1942
(Continuation from Tuesday, September 29, 1942)

Mr. DOWNEY. Mr. President, it is my anxious hope that the matter before us will soon be brought to a conclusion, under conditions satisfactory both to the executive and to the legislative branch of the Government, and under terms which will be most wise and advantageous to national defense.

Even though that shall be accomplished, however, very real, perhaps almost desperate, issues are involved in the argument. I make that statement particularly with regard to the western section of the country, where conditions are particularly known to me, because whatever allowance may be made by the pending measure for labor charges for the farmers, it will be most difficult and

perhaps impossible, for us in California, at least, to secure the farmers and the farm laborers next year necessary to produce our crops.

As of today, conditions are demoralized and chaotic in the farm-labor picture. I have been led to believe, by what I have heard, and read in the press, that our War Production Board is planning a program which will by the middle of next year utilize 10,000,000 more workers than we are now utilizing, and that our military leaders will be drawing upon the youth of the Nation for five or six million more recruits than they now have.

Mr. President, if those two propositions be true—and I think they probably are—I wish to say that there is only one solution for the labor problem of the West, and that is the importation of many, many thousands of Mexican workers. It was apparent on January 1 of this year that a well-planned and generous program of bringing Mexican farm workers into California and into the West should have been embarked upon. I have no desire to indulge in recrimination or in criticism, but I must say from a knowledge of several months that the program to bring Mexican laborers to America has been dealt with in such an insufficient way that it has almost totally failed, and it is my hope and wish that the governmental leaders in Washington will finally begin to realize that we are face to face with a manpower problem in the West which may become so destructive of farm production and of farm labor that the entire farm program of the West will be placed in jeopardy.

Mr. President, I also desire briefly to speak upon the labor conditions in the South. The Nation has so worked out its economic affairs that the southern cotton proprietor has never been able to pay a decent or living wage to the cotton worker, nor has the cotton tenant farmer been able to make a decent livelihood. The Bureau of Agricultural Economics, Mr. President, reports that it takes 1 hour of labor to produce a pound of cotton, and when cotton is selling at 12 or 15 cents a pound it manifestly becomes impossible to pay a fair price to the owners of cotton land in the South or a sufficient wage to the workers in the cotton fields. So I say, Mr. President, that, in my opinion, the balance of the Nation should alter its policy with respect to the prices the South is entitled to for cotton, because now, with the almost unlimited demand for manpower in the Army and in industry, the proprietors of cotton lands in the South will not be able to produce their crops unless they can find the means of paying a much more generous and subsistence wage or income than they have ever paid to the workers in the cotton fields.

Mr. President, we are exceedingly non-realistic in many ways. It is now being widely publicized, even by some of our military and economic and labor leaders, that we should draw upon that great reservoir of youth between 18 and 20 years of age, and we are told happily and optimistically and very inaccurately that we have here a reservoir of 2,500,000 young men. Yes, Mr. President, we have that many young men between 18 and 20,

but when we question our governmental leaders as to how many of them will be available for military services or for war industrial purposes they seem not to have the information. The truth, Mr. President, is this. Many hundreds of thousands of those young men between 18 and 20 are already in the Army or the Navy or the flying service. Many, many hundreds of thousands more are now in defense industries or performing vital farm services.

Mr. President, I know of one high school in California which graduated its class last June. Every boy that graduated from that high-school class is now either in the military service of the Nation, preparing for military service, or working at some essential occupation. In that high-school class not one boy between 18 and 20 years of age would be available now for addition to our military services or to our war industry.

Mr. President, the great fault with our program has been optimism and lack of realism. Let us pray that Mr. McNutt's statement that farmers must be given higher prices and farm workers higher wages in order to maintain production, is the beginning of a greater amount of illumination upon this subject.

Mr. President, I am willing to proceed with any idealistic leader who wants to bring the four freedoms to the four corners of the world, but I must admit that I have a greater desire to bring those four freedoms to the four corners of the United States. And so, I would intensely like to see the rest of the Nation finally admit and recognize the imperative need of the South for a decent price for its cotton crop.

Mr. President, the South has not yet recovered from the violence of reconstruction, nor from the high tariffs imposed by the North, nor from the loss of its income from assisting in payments of pensions to northern veterans. I do not believe there can ever be a recovery in the South until we, who do not live there, admit the necessity of paying a far more substantial sum for cotton products than we now are paying.

Mr. STEWART. Mr. President—

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Tennessee?

Mr. DOWNEY. I yield.

Mr. STEWART. Has the Senator from California made a study of the freight-rate question, particularly with reference to the higher freight rates being paid in Southern States on manufactured articles than are paid by other portions of the country, especially the industrial East?

Mr. DOWNEY. Mr. President, I have not made a particular study of transportation rates between the South and our northern markets. I know the distinguished Senator from Tennessee has done so, and I know the position he has taken—that in those excessive rates lies one of the serious burdens that prevents the economy of the South from properly functioning. I hope he will be enabled to carry on his fight to a successful conclusion; and I can assure him that in

that fight he will have my humble support.

Mr. President, when I was speaking last evening I must admit that I was vehement and impatient in my language and in my attitude, and in concluding my remarks today I want to apologize to our majority leader and to the distinguished Senator from Michigan [Mr. Brown], who has the joint resolution in hand, for any extreme or impatient language. I have for the distinguished majority leader not only the deepest affection but the very highest admiration. I think he is called upon to perform duties which are almost impossible of performance and heavy almost beyond the strength of any man to carry. I think he handles his duties as very few other men in the United States could handle them.

For the distinguished Senator from Michigan [Mr. Brown] I only say what all the Senate knows, that he is continually growing in stature and in prestige in the Senate of the United States; that his character, his ability, his energy, his tolerance, and his kindness make him a valuable servant of our people who, let us hope and pray, will let him remain for a long time in the Senate of the United States.

Mr. President, I desire now, very briefly, to advert to one entirely independent subject, and then I shall have concluded. Whatever may be the position assumed by any of us upon the pending joint resolution, whether we believe the Chief Executive and Mr. Henderson are in the right, or those of us who oppose them are in the right, every loyal and patriotic American could almost weep as in this day of stress and strain and strife we see this lack of unity in the Congress of the United States and between the Chief Executive and the Congress of the United States.

I care not, Mr. President, where the blame is assessed for this unhappy controversy. It is a most unfortunate thing that at the end of 150 years of constitutional government we are confronted with a situation of this kind, so lamentable and so unfortunate. It is inconceivable that under the British constitutional system any such situation as this could have arisen. It is my belief that the Senate of the United States should concern itself with a review of its practices and its processes to see whether greater efficiency cannot be developed here in the Senate and greater cooperation, unity, and cohesion between the executive and legislative branches of the Nation.

Mr. President, when our Constitution was adopted more than 150 years ago the political philosophers and writers of that time, and the men who sat in the Constitutional Convention, were determined to maintain by the Constitution the legislative, executive, and judicial departments, free and independent of each other. At that time fear was expressed that there might be encroachment by one department on the powers and prerogatives of another department; but almost every one apprehended that it would be Congress which would usurp or attempt to usurp the functions of the executive, rather than the executive at-

tempting to usurp the functions of the Congress.

It would have been impossible for the men who wrote our Constitution to have realized that we should come to a day when the Chief Executive would try to compel the Congress to pass the kind of farm legislation which the Executive wanted. That would not have been conceivable to them. The men who founded this Nation meant to place in the hands of the Senate and the House of Representatives the power to initiate and propose legislation as well as the power to enact it.

Mr. President, we have come far from those days. I am not criticizing our President because he takes the initiative on legislative proposals; but I am lamenting that in this dire and desperate hour there is a lack of cooperation and cohesion between the President and the Congress.

Since I have been in the United States Senate I have come to know a body of men who, in my opinion, for collective knowledge and wisdom on farm issues, at least, are superior to any other body of men in Washington. In many respects Senators are experts in or are well versed in almost every social, economic, or political question which may come before us. Nevertheless, it is very seldom indeed that a Senator finds it possible to utilize his wisdom and knowledge in making the laws of his country. Things are happening weekly which are almost incredible when we think about them.

Recently Mr. Baruch submitted a rubber report. I am a great admirer of Mr. Baruch. Two or three years ago I hoped that the President might appoint him to deal with the rubber problem and other problems. I think he has been one of the outstanding men of vision in the Nation. Nothing I am about to say is in criticism of Mr. Baruch, because for years at a time Mr. Baruch was far ahead of everybody else in the Nation on the subject of strategic war materials.

But, Mr. President, think of this absurd situation: The first part of this year or the last part of last year a resolution was introduced in the Senate for the investigation of the rubber problem. The resolution was referred to the Truman committee. The Truman committee carried on one of the ablest and most exhaustive investigations of which I have known. Able experts testified. Thousands of dollars were spent. Senators, after long thought and mediation, wrote one of the finest reports I have read. I am free to say that because I had nothing to do with it. To read that report is to read a masterpiece. I do not know whether the President of the United States ever even knew anything about it. I do not know whether he ever read it. However, months passed, and he appointed Mr. Baruch to make an investigation. Many months after the Truman committee brought in its report, Mr. Baruch submitted his, parallel in its findings and recommendations with what the Senate committee had recommended.

In other words, a committee of this body, after months of investigation, had made its report, which was entirely ignored by the Chief Executive. Later

another report, almost identical in its findings, was acted upon by the Chief Executive. Is there any sense in that? Is there any reason in it? Have not governmental unity and efficiency reached a low ebb when that sort of thing can happen?

Take another incident in connection with rubber. Last spring distinguished Senators from farm States became apprised of the fact that synthetic rubber could be manufactured more rapidly from grain alcohol than from a petroleum base. For months they tried to get the ear of somebody who would act. They were unsuccessful. Finally the grain alcohol synthetic rubber bill passed by the Senate was vetoed by the President of the United States. It was vetoed upon the ground that the program for petroleum synthetic rubber had gone too far.

No one denies that the distinguished Senator from Nebraska [Mr. NORRIS] and the distinguished Senator from Iowa [Mr. GILLETTE] had been right months and months ago. Senators who are members of the Military Affairs Committee know that we had resolutions before us dealing with rubber and conducted hearings 2 or 3 years ago.

I have no desire to go over that story. It is written in the CONGRESSIONAL RECORD and in the minutes of our committee. What does it show? It shows that with respect to strategic war materials, at least, the Military Affairs Committee and the Senate were far, far ahead of the Executive and the Army and Navy, as events have revealed; but that due to this unhappy situation nothing which Congress wanted registered itself.

Yesterday the distinguished senior Senator from Wisconsin [Mr. LA FOLLETTE] expressed fear of fascism. I do not know whether that fear is well justified or not; but I do know that legislative government is in jeopardy. I know that many more struggles such as this may mean the end of the congressional prestige and representative government. What that would mean I do not know; but it is a problem which must be dealt with.

Mr. President, I have said that under the British system this situation would have been impossible. Why? Because in England the Prime Minister, who occupies a place in the British Government corresponding to that occupied by our President, is chosen by the King—from among whom? Not from among anybody. The King chooses one man. He chooses the majority leader in the House of Commons. How does the Prime Minister make up his cabinet? Every member of that cabinet must come from the House of Commons or the House of Lords. How are the 50 important officials appointed under the British constitutional system? Every one of them must come from one branch or the other of their legislative body.

So in England this situation could not conceivably arise. It would be incredible. The core of the British Government, executive and legislative, is the British Cabinet; and the heart of the British Cabinet is the Prime Minister, who is not only the leader of his party

but likewise the dominant executive of the nation, who serves with men chosen by him from the legislative body.

Mr. CHANDLER. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. CHANDLER. I do not like to interrupt my friend, but we have frequently heard insistence on the part of Members of the House or of the Senate that they have to themselves their constitutional powers and duties, which should be unimpeded, uninterrupted, and not encroached upon by the Chief Executive. Perhaps some of our trouble arises from the desire of our three coordinate branches of government to be independent, each in its own right, having nothing to do with the others, especially if it means the sacrifice of any prestige.

I agree with what my friend has said. In the Military Affairs Committee it was definitely shown that unless something were done we should have a rubber shortage. However, there is no showing that the President ever received that information. It was probably filed with the clerk of the committee. There is no definite showing that the President ever received it. Also, we were told by another arm of the Government that nobody could cut off our rubber supply; that we were so strong that we could blast out of the ocean in a very short time anybody who might undertake to do so. So nothing was done. We lose something when we fail to realize that this is one Government, and this is one world, and that we had better occasionally give up some prestige in the interest of common harmony and in the interest of having all branches of the Government work together.

What does my friend think of that suggestion?

Mr. DOWNEY. I very much applaud the suggestion of the distinguished Senator from Kentucky and thank him for it.

Mr. President, I have now occupied almost the full time which I agreed to occupy, and I want only to call to the attention of the Senate the fact that one day last week I submitted a resolution calling for an investigation. The resolution was referred to the Committee on Military Affairs. I desire to read the first paragraph of the resolution:

Resolved, That the Committee on Military Affairs, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation and study with a view to determining the best and most effective means of creating greater unity and cooperation between the Congress and the executive branch of the Government in order to aid in the prosecution of the war.

Mr. President, one further thought and I am through. The President of the United States declared in his recent message that if Congress did not do what he desired he would summarily issue an order making effective the rule he wanted. The President said to the American people, "I am merely taking this legislative power during this emergency; and whenever this emergency passes I shall give it back to the people to whom it belongs."

Mr. President, we are not in a crisis or in a chaos for only 1, 2, or 3 years. Probably we have entered decades of wars and revolutionary movements in which the existence and the vitality of democracy will be tested to their utmost limits. Any promise that powers now seized will be given back within 2 or 3 years is a meaningless promise. This crisis will last for years. Pray God, Mr. President, that the Congress of the United States will maintain and keep inviolate its rights as a free and independent branch of this Government, to the end that not only may we struggle for the four freedoms throughout the world but that we may not lose them in the Congress of the United States and in the 48 empires which make up this great Republic.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from New Mexico [Mr. HATCH] for himself and the Senator from Oklahoma [Mr. THOMAS] to the amendment in the nature of a substitute proposed by the Senator from Kentucky [Mr. BARKLEY] for himself, the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Maryland [Mr. TYDINGS], and the Senator from Kansas [Mr. REED], for the committee amendment beginning on page 4, in line 2, as amended.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Gillette	O'Mahoney
Andrews	Green	Overton
Austin	Guffey	Pepper
Bailey	Gurney	Radcliffe
Ball	Hatch	Reed
Bankhead	Hayden	Reynolds
Barbour	Herring	Rosier
Barkley	Hill	Russell
Bilbo	Holman	Schwartz
Bone	Johnson, Calif.	Shipstead
Brewster	Johnson, Colo.	Smathers
Brooks	Kilgore	Smith
Brown	La Follette	Spencer
Bunker	Langer	Stewart
Burton	Lee	Taft
Butler	Lodge	Thomas, Idaho
Capper	Lucas	Thomas, Okla.
Caraway	McCarran	Thomas, Utah
Chandler	McFarland	Tobey
Chavez	McKellar	Tunnell
Clark, Idaho	McNary	Tydings
Clark, Mo.	Maloney	Vandenberg
Connally	Maybank	Van Nuys
Danaher	Mead	Wagner
Davis	Millikin	Wallgren
Downey	Murdock	Walsh
Doxey	Murray	Wheeler
Ellender	Norris	White
George	Nye	Wiley
Gerry	O'Daniel	Willis

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. BARKLEY. Mr. President, several Senators have asked whether the proponents of the substitute intend to modify it by inserting a date. We discussed that matter yesterday. The reason why a date was left out, as I tried to explain, was that the Bureau of Agricultural Economics felt that the insertion of a date would operate more as a restriction than otherwise. However, since conferring with a number of other Senators about the matter, we have con-

cluded to modify the substitute; and I now modify the substitute, which I have a right to do.

On page 2, after the word "commodity", in line 5, insert the words "incurred since January 1, 1941," so that the language will read:

Provided further—

And so forth—

or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs—

And so forth. Also, Mr. President, in order that Senators who will vote on the Hatch amendment may have in mind the other modification to which we have agreed, I wish also to add to the substitute the following language:

Provided further, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. REED. Mr. President, I am uncertain where the second proviso the Senator from Kentucky read is to be inserted. I should like to inquire from the Senator from Kentucky where it is to be inserted.

Mr. BARKLEY. It is to be added to the substitute. The language I read is substantially the language suggested by the Senator from Vermont [Mr. AIKEN].

Mr. REED. It is to be added to the substitute proposed by the Senator from Kentucky [Mr. BARKLEY] and the Senator from Wyoming [Mr. O'MAHONEY], is it?

Mr. BARKLEY. Yes; it is a modification of it and an addition to it.

Mr. TOBEY. Mr. President, will the Senator define the importance of the word "weighting"?

Mr. BARKLEY. Of course, it is more of a commercial term than a legal term, but it means giving an adequate weight to farm labor in carrying out the provisions of the substitute, if it should be adopted.

Mr. McNARY. Mr. President, I desire to express my appreciation of the attitude taken by the able Senators from Kentucky and Michigan. I think the adoption of these two amendments round out and perfect the amendment offered by the Senator from Kentucky, and I shall support the substitute in its present form.

Mr. BARKLEY. I thank the Senator from Oregon.

I merely wish to state that, in view of the perfection of the amendment, I sincerely trust that the amendment about to be voted upon, offered by the Senator from New Mexico [Mr. HATCH], will not prevail. That amendment involves the calculation of all costs of production, which was the theme song of the original Frazier-Lemke bill, which was considered years ago in the Senate. It would involve the calculation of farm labor—

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HATCH. Mr. President, much has been said on the floor during the course of the debate about unity; it has even been stated that some of us would not agree and did not want to agree to any proposal, and that the farm bloc was unpatriotic; in fact, many things have been said in the heat of passion which perhaps none of us would have said otherwise.

I have conferred this morning with the so-called leaders of the farm bloc; I have just now conferred with the Senator from Oklahoma [Mr. THOMAS], the Senator from Montana [Mr. WHEELER], the Senator from Alabama [Mr. BANKHEAD], and other Senators, and I speak for all of them in what I am about to say, that, in the interest of unity and harmony, and in order that we may enact this proposed legislation, I now withdraw the amendment which I have offered.

Mr. REED. Mr. President, will the Senator yield?

Mr. BARKLEY. I shall yield in a moment, but let me reply first to the gracious remarks of the Senator from New Mexico. I am very grateful to him, and I am sure the Senate and the country will be grateful to him for the very fine attitude which he has taken and which those associated with him have taken. If I may quote an old Methodist hymn which we used to sing when I was a boy:

This is the hour I long have sought
And mourned because I found it not.

Mr. WHEELER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Montana?

Mr. BARKLEY. I yield.

Mr. WHEELER. Mr. President, I merely wish to say that I am exceedingly happy that our leader has agreed to this amendment. So far as I am concerned, I feel that if this amendment is carried out it will give to the farmers of this Nation, in the price fixing of their products, all that the farm bloc has been fighting for, and, I think, perhaps that it is preferable to some of the other amendments which have been offered. I desire to congratulate the Democratic leader for accepting it. I think he has been in a very difficult spot in connection with the pending legislation, and he has handled this matter in a most efficient and able manner.

Mr. BARKLEY. I thank the Senator from Montana.

Mr. REED. Mr. President—

Mr. BARKLEY. I yield to the Senator from Kansas.

Mr. REED. Mr. President, I am very happy this morning at the outcome of the last week's discussion and debate in this body. There has been much criticism in this body of the farm organizations and the so-called farm bloc. I wish to say that I think the criticism of the farm bloc and of the farm organizations has been wholly unjustified. I belong to the farm bloc, even though during last week I have been following out a policy which I thought was a wise one. A week ago today the so-called substitute amend-

ment originated at this desk between the Senator from Maryland and myself. I want to congratulate the senior Senator from Oklahoma [Mr. THOMAS] and his associates on the magnificent work they have done to bring the problem of the farmer to the attention of the country. I think the outcome is worth all the effort the Senator from Oklahoma and his associates have put forth.

Mr. McNARY. Mr. President—

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Oregon?

Mr. BARKLEY. I yield to the Senator from Oregon unless he desires the floor in his own right.

Mr. McNARY. I thank the Senator. I will take the floor.

Mr. President, I have no doubt of the ultimate solution of the problem which has been before us for some days. In the latter part of last week I discussed the proposed amendment with the able Senator from Kentucky and the able Senator from Michigan, and I found them ready to yield to a proposal. I discussed the matter with the farm leaders and I found that they, too, were anxious to compose the differences and showed a willingness to meet halfway those who desired this amendment.

I wish to add my expression of joy and pleasure at the outcome of the situation which all the while was in the making and has now been accomplished. I appreciate the spirit and excellent work done by the able Senator from New Mexico [Mr. HATCH] and the able Senator from Oklahoma [Mr. THOMAS], who have been in constant touch with the farm folks, and today, too, have shown a fine disposition to compose the differences, so that we may pass the pending joint resolution today and adjourn, I hope, at an early hour.

Mr. BARKLEY. I hope so, too.

Mr. McFARLAND. Mr. President, after the testimonials which have just been given, I find it unnecessary to make very many remarks. When the debate reached the point where I had intended to speak, it seemed everything had already been said that could be said on either side. I want merely to explain my vote upon this measure.

There has been sounded here upon the floor of the Senate the warning that we must first win the war. I agree with that sentiment 100 percent, and I know that the farmers of this Nation agree with it. But, Mr. President, in order to win this war, we must have agricultural production. I share the experience of our distinguished leader from Kentucky, who stated that he was reared upon a farm, that he rose early in the morning when the sun was coming up, went out into the field and worked for 50 cents a day. The farmers are working today on the farm because they like the farm, but the farmers and others working on the farm must have a living wage.

I agree with the principle of the Thomas-Hatch amendment, and, therefore, I voted for that amendment, but I have at all times been willing and I have so stated, to vote for any compromise which I thought was a real one, one

reasonably fair to agriculture. The compromise which has been presented by the Senator from Kentucky meets that requirement. I, too, am happy, therefore, to vote for the substitute amendment as it has now been perfected.

A great deal has been said on the floor of the Senate in the form of criticism of the farm leaders. I do not agree with such criticism. I think the representatives of the farmers of this Nation have as much right to come to Washington and petition Congress as have the representatives of industry or any other group.

I wish to make one more remark about criticism, and then I shall be through. Our distinguished leader the Senator from Kentucky [Mr. BARKLEY] quoted a statement of General Somervell in which the general said that we do not need the farm bloc. I wish to say to General Somervell that if he will perform his duties as well as the farmers perform theirs, we will get along all right. The trouble with us is that each fellow is trying to attend to the other man's business.

The tone of the President's message did not antagonize me, its form was immaterial to me. The question before me, and the question before Congress, is whether the proposal now before us would in our judgment be the right kind of legislation to enact, and I think that is the spirit in which we should meet it.

Two days ago I heard one of our officials make the statement that we were losing the war. I wish to offer my objection to that kind of statement. I say we are not losing the war. I would say to the junior Senator from Kentucky that if he were playing a ball game and he should happen to get behind by a few runs in an inning, he would go back in the next inning and say, "Boys, let us make them up." We may be behind by a few runs, but we are not losing the war and we are not going to lose the war.

The spirit which has been manifested here today shows that we are going to have harmony, and that we are going to present a united front.

Mr. CHANDLER. Mr. President, will my colleague yield?

Mr. BARKLEY. I yield.

Mr. CHANDLER. I yield that my good friend the Senator from Arizona would not want to place General Somervell in an unfavorable light. As I understand, General Somervell did not say anything against any specific bloc. What General Somervell did say was that this was not the time for any bloc except an American bloc. I know the Senator would want to be fair and just to the general. If we had more officers who are as magnificently trained and who are doing as good a job as is General Somervell, we would be better off. I know about his work from personal knowledge, and from what I know about his conduct in his position as Chief of the Services of Supply. I wanted to make this statement, because General Somervell did not single out any segment of our people to criticize.

Mr. McFARLAND. I could place but one interpretation on what was said by the majority leader and from what I read in the newspaper—that General

Somervell said we did not need a farm bloc.

Mr. CHANDLER. He said we did not need any bloc except an American bloc. It would be better if all blocs would join and become an American bloc.

Mr. McFARLAND. There is no doubt about that.

Mr. CHANDLER. I know the Senator is fair, and I know General Somervell is one of the ablest officers who have been produced in this country.

Mr. McFARLAND. I do not question his ability; but I say that he has no right to criticize the farm bloc. I think that was the natural inference to be drawn from his remarks.

Mr. WHEELER. Mr. President, will the Senator permit me to say a word?

Mr. McFARLAND. I yield.

Mr. WHEELER. As the Senator knows, I have been in the Senate for nearly 20 years. I have seen men rise on the floor of the Senate and heard them say they belonged to the farm bloc; but I have been a member of the Committee on Agriculture and Forestry for 20 years, and if there is a farm bloc in the United States Senate I do not know where it is, for I have seen the members of the Committee on Agriculture disagree—I have seen those representing the different farm States disagree upon many questions. If those representing all the farm States in the Senate had represented the farmers and had stuck together, the farmers would not be in the condition in which they are at the present time.

The idea of saying that there is a farm bloc here or that there is a labor bloc here. In my judgment, that is doing a disservice to the country, and most of the time reference to a farm bloc or a labor bloc or some other bloc does not come from the farmers; it comes from the great newspapers of the East that want to discredit the farmers and the representatives of the farmers, and the Senators who come from farm States.

A few years ago there was a Senator from Pennsylvania who said that all of us who came from the farm States were a lot of wild jackasses, but the man who made that statement did not stay in the Senate very long.

Mr. GUFFEY. That statement was not made by a Senator from Pennsylvania; it was made by a Senator from New Hampshire. [Laughter.]

Mr. WHEELER. I beg the Senator's pardon. At any rate, the Senator was eliminated from the Senate by the farmers of his own State shortly after he made the statement.

No one talks about the bloc representing the big industrial centers of the country; no one talks about the bloc representing the bankers; no one talks about the bloc representing the Power Trust; no one talks about the bloc representing this group or that group; but it is said that those who come from the agricultural States are a farm bloc, and that we are trying to discredit the administration, or are trying to wreck the country.

I am sick and tired of hearing men who come from the farm States referred to as a farm bloc. I think it is a mistake

for a Senator to stand here and say, "I am a member of the farm bloc." I have attended meetings where those Senators and Representatives have been called together, but it has never been a farm bloc, for very often they have not agreed to stand together upon any proposition that came before them.

The VICE PRESIDENT. The question is on agreeing to the so-called Barkley amendment as modified.

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. THOMAS of Oklahoma. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. Have the yeas and nays been ordered?

The VICE PRESIDENT. The yeas and nays have been ordered.

Mr. THOMAS of Oklahoma. I ask unanimous consent that the substitute as modified be reported to the Senate for the information of the Senate.

The VICE PRESIDENT. The clerk will read.

The LEGISLATIVE CLERK. In lieu of the committee amendment beginning on page 4, line 2, it is proposed to strike out all after the word "inequities" through the word "inequities" in line 13, as amended, and to insert the following: "Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *Provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor."

Mr. THOMAS of Oklahoma. Mr. President, I shall occupy the floor but very briefly.

The pending amendment contains two significant modifications. If the amendment had been agreed to as offered, the measure would not have been effective until passed by the Congress and approved by the President, which would have meant that no increase in farm wages would have been considered in any event until after the law became effective. The amendment which has been offered is most significant in that it gives to the producers of agricultural commodities credit for such increases in labor as may have occurred since Jan-

uary 1, 1941, almost 2 years ago. That is a significant modification.

The second modification is to the effect that in the event price ceilings are to be fixed on farm commodities, the element and cost of farm labor are to be given consideration. That was the amendment which was suggested by the Senator from Vermont [Mr. AIKEN]. The other amendment was proposed by the Senator from Georgia [Mr. GEORGE].

Mr. President, it is the present policy of the Government to give the makers of munitions, the makers of war equipment, full cost of production plus a reasonable profit. Inasmuch as Lieutenant General Somervell saw fit to make a speech 2 days ago criticizing blocs, I desire to read into the RECORD a few questions and answers wherein General Somervell is quoted.

On page 27 of the hearings held in connection with the sixth national defense appropriation bill for 1942, there appears the following colloquy. The Senator from Oregon [Mr. HOLMAN] was interrogating General Somervell.

Senator HOLMAN. May I inquire, do you take into consideration losses?

General SOMERVELL. Yes, sir.

Senator HOLMAN. Because 6 percent is an awfully close margin to figure on.

General SOMERVELL. Yes, sir; because if a man lost on a contract, and was limited to 6 percent on the next one, he would have no chance to recoup his losses.

On page 28 we find the following questions by the Senator from Louisiana [Mr. OVERTON] and answers by General Somervell:

Senator OVERTON. There is no clause in the contracts permitting you to do it?

He was referring to the renegotiation of contracts.

General SOMERVELL. That is correct.

Senator OVERTON. But hereafter there will be a clause?

General SOMERVELL. Yes, sir.

Senator OVERTON. That will authorize a readjustment of the price?

General SOMERVELL. Yes, sir.

Senator OVERTON. That readjustment of price will allow a certain percentage of profit?

General SOMERVELL. It does not specify a certain percentage, but allows a reasonable profit.

On page 29 General Somervell, in speaking on the same subject, made the following statement in response to the Senator from Wyoming [Mr. O'MAHONEY].

General SOMERVELL. If the 6 percent is taken before taxes, it does not give a man a sufficient margin of profit. It does not pay. It would really put all these contracts on a cost-plus-a-percentage basis—and we had experience with that type of contract in the last war.

It would not allow a margin of profit sufficient to permit the contractor's loss on one contract to be made up on a following contract.

So, Mr. President, the practice in the War Department and the practice which is current in the Navy Department, so I am advised, are such as to allow anyone who produces anything for the War Department or for the Navy Department to make a profit. If a corporation, firm, or individual takes a contract from either

department and makes no money, but loses money, he has the opportunity to suggest that loss to the Government officials when they may give him a second contract, so it may be given him at a high enough rate to make up for the loss on the first contract and to make a profit on the second contract. I suggest that it is now the policy of the United States Government to allow profits on all contracts, and well it should be. A corporation cannot exist if it does not make money. A firm cannot continue to operate if it does not make money. An individual cannot live unless he makes money. So it is proper that reasonable profits should be allowed. Before a profit can be secured all cost, of course, must be included.

Mr. President, the amendment, as it is now agreed to by Senators, permits the processors of agricultural commodities to make profits and that is proper. I agree to that provision. I heard read the amendment which was offered by the Senator from Tennessee [Mr. McKELLAR]. Of course, processors must have profits. If we are to have continued production those who produce must have their cost first, and then must have profits. That policy is sound and should cover the whole economic field of American activity.

Now when we come to the farmer I hope the administrator of this law will allow the farmer full cost of production. Such can be done under the provisions of the pending measure, as we now propose to pass it, and I hope the administrator, whoever he may be, will take a reasonable view of the farm problem. While he may not allow the farmer a 6 percent profit, or a fair and generous allowance of profit, yet in fixing ceilings I hope he will allow the farmer at least to secure cost of production.

On yesterday the Senate voted 48 to 43 to allow farmers the cost of production in the fixing of ceilings on farm commodities. So when we survey the whole field of American activities and find that industry is, in effect, guaranteed profit on its operations, I express the hope that those who administer this law and other laws affecting the farmers will act in harmony with the provisions of this measure and that farm-labor costs will be given proper weight in determining and fixing ceilings on farm commodities.

The two modifications of the pending amendment were considered by a number of members of the Senate Committee on Agriculture and by numerous representatives of the major farm organizations.

While the amendment as modified is not all that the Senate Agricultural Committee and the leaders of the farm organizations desire, yet in the limited time in which we had to act it is deemed the best compromise that we can effectuate.

I am further advised that the statement just made is endorsed by Albert S. Goss, master of the National Grange; Edward A. O'Neal, president of the American Farm Bureau Federation; H. E. Babcock, president of the National Council of Farmer Co-Operatives; and

Charles Holman, representing the Milk Producers Federation.

The VICE PRESIDENT. The question is on the substitute amendment, as modified, proposed by Mr. BARKLEY—for himself and others—for the committee amendment beginning on page 4, line 2, as amended.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. I understand that if present, he would vote as I intend to vote. Therefore, I am free to vote, and vote "yea."

The roll call was concluded.

Mr. BARKLEY. I wish to announce that the junior Senator from Virginia [Mr. BYRD] is unavoidably detained on important official business. He had expected to arrive in the Chamber by 1 o'clock when, I informed him, the vote would probably be taken. I am authorized by him to say that if he were present, he would vote "yea."

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Virginia [Mr. GLASS], are absent because of illness.

The Senator from South Dakota [Mr. BULOW] is necessarily absent.

The Senator from Missouri [Mr. TRUMAN] is absent on public business.

I am advised that if present and voting, the Senator from Delaware [Mr. HUGHES], the Senator from Virginia [Mr. GLASS], and the Senator from Missouri [Mr. TRUMAN] would vote "yea."

Mr. McNARY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent. If present, he would vote "yea."

The result was announced—yeas 86, nays 4, as follows:

YEAS—86

Alken	Gillette	Pepper
Andrews	Green	Radcliffe
Austin	Guffey	Reed
Bailey	Gurney	Reynolds
Ball	Hatch	Rosier
Bankhead	Hayden	Russell
Barbour	Herring	Schwartz
Barkley	Hill	Shipstead
Bilbo	Holman	Smathers
Bone	Johnson, Colo.	Smith
Brewster	Kilgore	Spencer
Brooks	La Follette	Stewart
Brown	Lee	Taft
Bunker	Lodge	Thomas, Idaho
Burton	Lucas	Thomas, Okla.
Butler	McCarran	Thomas, Utah
Capper	McFarland	Tobey
Caraway	McKellar	Tunnell
Chandler	McNary	Tydings
Chavez	Maloney	Vandenberg
Clark, Idaho	Maybank	Van Nuys
Connally	Mead	Wagner
Danaher	Millikin	Wallgren
Davis	Murdoch	Walsh
Downey	Murray	Wheeler
Doxey	Norris	White
Ellender	O'Daniel	Wiley
George	O'Mahoney	Willis
Gerry	Overton	

NAYS—4

Clark, Mo.	Langer	Nye
Johnson, Calif.		

NOT VOTING—6

Bridges	Byrd	Hughes
Bulow	Glass	Truman

So the substitute amendment as modified, proposed by Mr. BARKLEY (for himself and others), for the committee amendment beginning on page 4, line 2, as amended, was agreed to.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 4, commencing in line 2, as amended.

The amendment as amended was agreed to.

The VICE PRESIDENT. The clerk will state the next committee amendment.

The next amendment was, in section 4, on page 4, line 17, after the word "amended", to strike out ", (2) which is inconsistent with any recommendation or order of any agency of the Federal Government affecting the wages or salaries of employees whose cases were pending before such agency on September 15, 1942, and were undetermined on the date of enactment of this joint resolution, or (3)" and insert "or the National Labor Relations Act, or (2)."

Mr. CONNALLY. Mr. President, if I may have the attention of the Senator from Michigan [Mr. BROWN], the language on page 4, line 25, refers to the "highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942." I assume that by that language is meant not necessarily wages or salaries actually paid, but the standard for that period.

Mr. BROWN. It means the rate of pay.

Mr. CONNALLY. Will the Senator make a statement covering that question?

Mr. BROWN. Mr. President, I agree with the views expressed by the Senator from Texas. I believe that clause (2), commencing in line 23, on page 4, and extending to the word "Provided", on page 5, line 1, means the rate of salary, the rate of wage, or the rate of pay. Whether or not it was actually paid makes no particular difference.

Mr. CONNALLY. I thank the Senator. The reason for my inquiry is that some persons who are interested have suggested to me their apprehension that perhaps some technical construction might be invoked as to whether or not a man's salary had been increased, or whether he had actually been paid within that period. I am sure the Senator is correct.

Mr. BROWN. I believe that is the correct construction.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 4, beginning in line 17.

The amendment was agreed to.

The next amendment was, in section 4, on page 5, line 2, after the word "may", to insert "without regard to the limitation contained in clause (2)."

The amendment was agreed to.

The next amendment was, in section 4, on page 5, line 3, after the word "salaries", to strike out "below the wages or salaries referred to in clauses (2) and (3) of this section."

The amendment was agreed to.

The next amendment was, in section 5, on page 5, line 7, after the figure "5", to insert "(a)."

The amendment was agreed to.

The next amendment was, in section 5, on page 5, after line 15, to insert:

(b) Any person who willfully violates any regulation promulgated by the President under this joint resolution relating to wages or salaries, shall, upon conviction thereof, be fined not more than \$1,000.

The amendment was agreed to.

The next amendment was, in section 6, on page 5, line 20, after the word "resolution", to insert "(except secs. 8 and 9)"; and in line 23, after the word "President", to insert "by proclamation."

The amendment was agreed to.

The next amendment was, in section 7, on page 6, line 1, after the figure "7", to insert "(a)."

The amendment was agreed to.

The next amendment was, in section 7, on page 6, after line 3, to insert:

(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such act shall, insofar as they are not inconsistent with the provisions of this joint resolution, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this joint resolution.

(c) Nothing in this joint resolution shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except to the extent that this joint resolution is inconsistent with sections 3 (a) and 3 (c) of such act), or to invalidate any regulation, price schedule, or order issued or effective under such act.

The amendment was agreed to.

The next amendment was, on page 6, after line 18, to insert:

SEC. 8. (a) The Commodity Credit Corporation is authorized and directed to make available upon any crop of the commodities cotton, corn, wheat, rice, tobacco, and peanuts for the year 1942 or any subsequent calendar year which begins during the continuance of the present war, if producers have not disapproved marketing quotas for such commodity for the marketing year beginning in the calendar year in which such crop is harvested, loans as follows:

(1) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 90 percent of the parity price for the commodity as of the beginning of the marketing year;

(2) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 percent of the rate specified in (1) above;

(3) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 percent of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

(b) All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, insofar as they are not inconsistent with the provisions of this section, be applicable with respect to loans made under this section.

Mr. BUTLER. Mr. President, before the Senate acts on the committee amendment on page 6, beginning in line 19, and continuing through line 19 on page 7, I

wish to offer an amendment for the consideration of the Senator from Michigan.

The VICE PRESIDENT. The amendment offered by the Senator from Nebraska will be stated.

The CHIEF CLERK. On page 7, in the committee amendment, after line 19, it is proposed to insert the following new subsection:

(c) In the case of corn and wheat, notwithstanding the foregoing provisions of this section, loans at the rates provided in subsection (a) shall be made only if the President determines that loans at such rates will aid in the effective prosecution of the war. If loans on corn and wheat are not made at the rates provided in subsection (a), loans on such commodities shall be made at the rates otherwise provided by law.

Mr. MALONEY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MALONEY. I had an amendment which I proposed to offer to this section, which it seems to me would be a little more definite than the amendment offered by the distinguished Senator from Nebraska. I inquire if it would be in order for me to offer a substitute therefor.

The VICE PRESIDENT. The amendment offered by the Senator from Nebraska [Mr. BUTLER] is an amendment in the second degree. Therefore it is not subject to amendment.

Mr. MALONEY. I thank the Chair.

Mr. BROWN. Mr. President, the amendment offered by the Senator from Nebraska [Mr. BUTLER], who is a member of the Banking and Currency Committee, has my personal approval, and it has the approval of those who will be charged with the administration of this section.

It has been felt that, while it was very unfortunate and very difficult to make this kind of an exception as to two of our basic commodities, nevertheless, because of the feed situation and the necessity for keeping the prices of meat, particularly beef and pork, within reasonable limits, the President should be authorized to determine whether or not it is in the public interest to make loans above 85 percent on corn and wheat.

Under the provisions of the Butler amendment the President might permit loans as high as 90 percent; but also he would have discretionary authority to place a limit of 85 percent on such loans. It is the opinion of the Department of Agriculture that the adoption of this amendment would be in the public interest. That is also my own opinion.

I should be glad to have the Senator from Connecticut state what he has in mind. My sole interest is to settle the matter satisfactorily to all concerned.

Mr. MALONEY. Mr. President, in answer to the very able Senator from Michigan let me say that I shall not provoke any further controversy, because the difference between what I would suggest and what is proposed by the Senator from Nebraska is not great. The author of the bill, the Senator from Michigan [Mr. BROWN] knows that I was opposed to this entire amendment in the com-

mittee. I was particularly disturbed in reference to corn and wheat, because of the very obvious fact that the amendment would increase the cost of feed to poultry and cattle raisers, and would bring about an increase in the cost of living to consumers. I have figures from officials of the Department of Agriculture and from the Office of Price Administration showing an additional cost of \$650,000,000 a year.

The difference between the amendment which I had intended to offer and that already offered by the able Senator from Nebraska is that he allows a leeway, or permits the President to authorize 90 percent loans, whereas my amendment would fix the loan figure in the case of corn and wheat at 85 percent, where it now is. However, I do not believe that the difference is great, when we take into account the general situation and the delays which have occurred. I have complete confidence in what will happen; and because I believe that the purpose which I have in mind will be served by the language of the amendment offered by the Senator from Nebraska, I shall offer no objection, and shall not propose a substitute.

Mr. BROWN. Mr. President, I believe that the amendment offered by the Senator from Nebraska is better than the amendment proposed by the Senator from Connecticut for this reason: It was most difficult for the Senator from Michigan and others of us who are responsible for bringing this measure before the Senate to make a distinction between basic commodities such as cotton, corn, wheat, and other commodities in that list. I did not assent to this amendment until I had discussed the matter with Senators from corn-producing States. I do not state that any of them agrees to this amendment. The situation was most difficult, but I feel that it would be far better to leave with the President the discretion or authority to run the limitation up between 85 and 90 percent, or keep it down to 85, than to adopt a hard and fast rule which would single out corn and wheat and allow absolutely no discretion or authority to the administrative branch of the Government with respect to those commodities.

Mr. LUCAS. Mr. President, I am interested in this amendment. I cannot see why cotton should not be in the same category with corn and wheat so far as the discretionary powers of the President are concerned. I do not see why cotton should be set out definitely in a mandatory provision, or why we should say to the President, "You must loan 90 percent on cotton, but you may loan only 85 percent on corn and wheat." I can understand the provision of the amendment of the Senator from Nebraska with respect to corn as it relates to hogs; but I do not understand the provision with respect to wheat. It seems to me that in dealing with the entire problem with the utmost fairness, cotton, corn, and wheat, basic commodities upon which we have been legislating for a long time, should remain in the same category, in order that the provision may not be misunderstood in the agriculture section from which I come.

In other words, I am in favor of the 90-percent provision, with the discretionary power lodged in the President of the United States to say, at the appropriate time, whether the loan value should be increased from 85 to 90 percent on cotton, corn, and wheat, provided it is in the interest of the war effort, as is stated in the amendment.

I am not attempting to make any argument against the cotton farmer of the South; but I am making an argument for unity. I unhesitatingly say that if this amendment is adopted, giving cotton a preference in the matter of loans, and making it mandatory to increase the loan value from 85 to 90 percent on cotton, with the discretionary authority in the President to say whether or not the loan values of corn and wheat shall be increased, immediately the farmer in my section of the country will say that there is no unity in the provision, and that one class of farmers is being favored over another.

Not every farmer in my section of the country who raises corn feeds it to hogs or cattle. There are thousands of farmers in Illinois who produce nothing but corn and wheat. They are probably a little more interested in obtaining a 90 percent loan than in having the loan value discretionary with the President. I am speaking from the standpoint of the individual farmer who raises all corn and wheat; but I must look at the problem from the standpoint of an over-all objective—I must consider the farmer and the consumer. Obviously I must base all my decisions upon winning the war.

So with respect to this provision I appeal to the Senator and to the Senate to put all three of the basic commodities in the same category, so that we shall not permit the country to believe that with respect to loans, cotton will receive any preference over either corn or wheat. I present that appeal, the utmost good faith because I am confident that if what I have requested is not done, the people in my section will again misunderstand the problem. God knows there is now enough disunity in that section as a result of what we have been doing here in the last week or 10 days; and I do not want to add any more to the chaos and confusion which exist at the present time.

If my request is not agreed to by the Senate, at the proper time I shall offer an amendment to take care of the matter.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHEELER. I am glad the Senator said what he did say, and I thoroughly agree with everything the distinguished senior Senator from Illinois has just stated.

The wheat farmers in the West—in Montana and in North Dakota—do not to any extent feed their wheat to cattle or sheep. They have to sell their wheat on the market. If cotton is granted a preference it will be very difficult to explain the matter to the wheat farmers who are not now receiving the parity price. The price of wheat is way below parity; if they were receiving the parity price

at the present time, the price of wheat would be approximately \$1.34 a bushel. However, the wheat farmers are receiving only approximately 95 cents a bushel for their wheat; in fact, in many places in Montana they are receiving only 85 cents a bushel for it.

I did not hear very much complaint in response to the request for an increase in the loan value; but if a loan of 90 percent is to be granted the producers of other products, the wheat farmers will object bitterly if they are not treated equitably, because they are not now receiving the parity price for their wheat. Senators suggest that cattle raisers and chicken raisers should be protected; and the President has said that the price of cattle and the price of beef are too high; and yet it is proposed that we say to the wheat farmers of the country, "We shall not increase the loan value of your wheat 5 cents so as to try to bring the price of wheat a little nearer to the parity price, but we shall increase the loan value of all other products."

I thoroughly agree with what the Senator from Illinois has said. In the wheat-growing sections of the country more disunity and greater discouragement would be caused on the part of the wheat farmers by including in the measure a provision of the kind which has been proposed than by ignoring the whole subject. Either the provision should apply to all products or it should not apply to any. If the proposed amendment should be adopted the farmers in my State and in the Northwest generally would be discriminated against.

Mr. BROWN. Mr. President, the Senator from Montana [Mr. WHEELER] and the Senator from Illinois [Mr. LUCAS] certainly have a good deal on their side of the argument. It was with great reluctance that I brought myself to take the position I have taken. However, the practical situation is this: We propose to stabilize prices and wages as of September 15, 1942. The 90-percent floor, so-called, would, if corn and wheat were included, bring about such a situation that according to the testimony of those in charge of price administration, there would be, as the Senator from Connecticut pointed out, an immediate increase in the prices of those two feed crops—corn and wheat—which would result in adding \$650,000,000 to the bill of the consumers of the United States.

So far as I personally was concerned, I had to decide between making an apparent discrimination—and I grant that it would be—and doing that which would be best for the great mass of the consuming public. There is no question that the other basic commodities—and of course there is another large class of commodities—the production of which the Secretary of Agriculture is encouraging for war purposes—would be benefited by the 90-percent loan provision proposed to be included in the joint resolution.

I say that I had to decide between those two matters. I felt that if we were to disturb the present level of prices, which is the ideal or the standard which we are hoping to achieve by the passage of the pending joint resolution, to the

extent of raising the prices of meat, pork, beef, and poultry by the amount of \$650,000,000, it would be most unfortunate.

Therefore, with great reluctance I adopted the means suggested by the Senator from Nebraska [Mr. BUTLER], the Senator from Connecticut [Mr. MALONEY], and others, particularly those in charge in the Department of Agriculture; I adopted that very unfortunate means of achieving the desired result. I am fully convinced that it is a sound method and is the proper thing to do under present circumstances.

Mr. WHEELER. Mr. President, let me say to the Senator from Michigan that when I read the proposal I immediately recognized that it would not stabilize prices but would raise the prices of some commodities. That would be the effect of the proposed 90-percent-loan provision.

Mr. BROWN. I disagree with the Senator.

Mr. WHEELER. Let us consider wheat, for instance. What the average wheat farmer receives today is the loan value of his wheat, although, as a matter of fact, the Montana wheat farmer does not receive that much, because he cannot store his wheat; there are not enough bins in which to store the wheat the wheat farmers are raising. Consequently, in many instances, the wheat farmer has to store his wheat on the ground, or dump it on the market, where he has to sell it at a price below its market value.

I am stating facts. I have only recently returned from among the wheat farmers of Montana, and I know what is taking place there. My information does not come from some theorist in the Department of Agriculture, but from actual observation, and I know what is taking place.

If the proposed amendment were agreed to we should be saying to the wheat farmers in that section of the country, "We shall keep down the price of your wheat, but we shall grant high loan values for all other commodities"; and we should be saying that notwithstanding the fact that today the wheat farmer is not receiving the parity price for his product, and notwithstanding the fact that his labor costs have gone up tremendously, and now he cannot even secure the labor he needs, no matter what he offers to pay for it.

If the proposed amendment should be agreed to the feeling would be created that the Congress and the administration were discriminating against the wheat farmers of this country. If that is what the Senators want to do, of course, they can do so.

Oh, Mr. President, there has been much said about unity in this country; but the kind of unity referred to is the unity obtained when there is 100-percent agreement with everything a certain group in the country wants. If one does not agree with that group he is charged with trying to breed disunity.

Mr. President, unity is a two-way street, and there must be cooperation by both sides.

While I am referring to unity let me call attention to the fact that some of

those who are shouting the loudest about unity in this country have been trying to bring about the greatest disunity. When Pearl Harbor was attacked I was one of the first men in the country to say that what we had to do was to destroy the Japs, and that I strongly favored doing so. Since that time I have done everything I possibly could do to go along with the administration in the prosecution of the war. Yet what do I find? I find a number of controlled publications and a number of persons putting out propaganda, some of it coming from administration sources, trying to stir up disunity in the United States on every occasion by criticizing everyone who before the attack on Pearl Harbor happened to be opposed to entering the war. If such criticism will bring about unity in our country, let me say that, so far as I am concerned, if anyone, whether acting on behalf of the administration or otherwise, wants to raise the question as to what my stand was before we entered the war, I am perfectly willing to discuss it on the floor of the Senate.

Mr. BROWN. Mr. President, is the Senator from Montana addressing his remarks to me? [Laughter.]

Mr. WHEELER. No; not at all. I am not addressing them to the Senator, because the matter has not been challenged in the Senate, but I am becoming weary of having those who speak for the administration—spokesmen of the administration—constantly sending out propaganda to the effect that everyone who before the attack on Pearl Harbor did not agree with them about entering the war was unpatriotic, and yet at the same time they call for unity.

So I agree entirely with what the Senator from Illinois has said. I do not know what will be the attitude of the corn farmers because in Montana comparatively little corn is grown, but I think I can speak for the wheat farmers, for in recent weeks I have been in contact with them on their farms throughout Montana, and I know what their attitude is. In many instances they now are saying that the Congress and the administration favor the cotton farmers and some other farmers, but discriminate against the wheat farmers in the Northwest.

If the proposed amendment be included in the measure, or if the matter be left to the discretion of the President, and if he discriminates against the wheat farmers, in my judgment, not only will there be brought down the accusation that the wheat farmers of the country are being discriminated against but it will be a just accusation.

Mr. BROWN. Mr. President, the practical situation is that if the 90-percent floor, so-called, which is proposed as a result of suggestions contained in the President's message, shall be agreed to as to all crops, there will result an increase of approximately \$650,000,000 in the cost of living.

If the amendment offered by the Senator from Nebraska [Mr. BUTLER] or the amendment offered by the Senator from Connecticut [Mr. MALONEY] were agreed to, then the 90-percent floor, so-called, would not affect the cost of living. In other words, it is a device—an unfortu-

nate one, I agree—by which we maintain the present status—the present level of prices. I think under those circumstances the amendment is justified.

Mr. LUCAS. Mr. President, will the Senator from Michigan yield for a question?

Mr. BROWN. I yield.

Mr. LUCAS. I do not doubt the statement the Senator has made with respect to the increased cost of living, but it will not be possible to explain that situation to the farmer who reads in the newspapers that one group of farmers in this country is able to obtain 90-percent loans, and it is mandatory upon the part of the President that he allow them 90-percent loans; while, on the other hand, it is discretionary with him whether he shall give the wheat and the corn farmers 90-percent loans. Assuming everything that the able Senator from Michigan has said to be true, would not discretionary rather than mandatory power in the President result in accomplishing the very objective the Senator has discussed? In other words, if the President of the United States wants to allow the cotton farmer a 90-percent loan, give him discretionary power to do so. It will meet the objection to which the Senator has referred, and the corn farmer in my section will be satisfied if the President of the United States does that.

I do not say that the President of the United States will discriminate against the wheat farmer or the corn farmer or the cotton farmer. I have confidence in the President of the United States to administer this law in a just, wise, and judicious manner for the benefit of all the farmers insofar as he can do so on a basis of equality. I am confident that we are going to have a better feeling among the farmers of this country, especially in the Northwest and the Central West where the other two basic commodities are produced, if they are all placed in the same category, and the President of the United States is given the discretionary power, if that be necessary, to make any loan he wants to make between 85 to 90 percent on either one of the commodities.

At the proper time, Mr. President, I propose to offer an amendment which will accomplish that objective.

Mr. HERRING. Mr. President, representing, in part, the foremost corn-producing State in the Union, I wish to say that I agree with the Senator from Illinois. I cannot agree that it would not affect the cost of living to permit an increase in the sales price of cotton and at the same time hold down corn and wheat under a discretionary power.

I may say that before the committee the producers of corn and wheat did not ask for an increase in the loan value to 90 percent. It was the representatives of other crops who asked for that; and now we are being penalized simply because we did not ask for the increase. We were willing to have the price stabilized in order to hold down the cost of living. Now we find we are being penalized because of that very attitude.

I may say that the price of cotton affects the cost of living just as much as does the price of corn or wheat. The corn

and wheat producers are willing to accept the same provision that is applied to the other basic commodities, but this proposal is unfair and discriminatory to us, for, in the one case the power would be discretionary and in the other case mandatory.

Mr. BUTLER. Mr. President, I should like to emphasize one clause in the amendment that it is left discretionary to the President "if in the interest of the war program." I do not believe any of us in America want to deny the President that privilege. Whether he will execute the option we do not know, but I believe, in the interest of unity, we in the section from which I come are perfectly willing to go along, because grain, as such, is not worth a great deal. It has got to be converted into meat, into poultry products, or dairy products before it becomes of value in the war program. The Department of Agriculture has indicated its preference for this proposal, as have the committee leaders, and I am perfectly willing to go along with them and leave this discretion to the Commander in Chief.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. LUCAS. The Senate amendment does not leave it to the discretion of the President of the United States insofar as cotton is concerned. That is the basis of the argument of the Senator from Illinois. In other words, the Senator's amendment absolutely says nothing about cotton, and that is what I am talking about.

Mr. BUTLER. The Senator from Illinois can offer his amendment at the proper time.

Mr. LUCAS. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Would an amendment to the amendment offered by the Senator from Nebraska be in order?

The PRESIDING OFFICER. It would not be in order, because the amendment of the Senator from Nebraska is in the second degree.

Mr. LUCAS. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state his parliamentary inquiry.

Mr. LUCAS. If the Butler amendment is agreed to then, will the amendment which the Senator from Illinois proposes to offer dealing with this proposition be in order at that time?

The PRESIDING OFFICER. It would be open to further amendment.

The question is on the amendment offered by the Senator from Nebraska [Mr. BUTLER].

Mr. OVERTON. Mr. President, as I read the joint resolution I thought the policy had been adopted insofar as certain commodities are concerned to undertake to stabilize their prices, or aid in stabilizing their prices, by increasing the loan value on basic commodities. So far as I know that seems to have met with general approval.

Now it appears that there are some Senators from the wheat and corn areas

who are objecting to this iron-bound provision in the joint resolution and who desire that some discretionary authority be vested in the President insofar as wheat and corn are concerned. There could be no objection to that if it meets with the approval of the Senators who peculiarly represent the area in which these crops are produced; but if they desire a modification of the rule prescribed by the committee, why should they wish to bring other commodities under the rule designed to fit the peculiar situation which obtains in the Middle West and the West?

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. WHEELER. The Senator is incorrect, I think, because, if I am judge of the sentiment among the wheat farmers, they would be glad to have the provision just as it is. They did not come here asking for it, it is true; but they do not want to be discriminated against.

Mr. OVERTON. Why advocate it at all? Why not vote down the amendment?

Mr. WHEELER. Every farmer in my State would like to get an increase of 5 percent in the loan, because that would mean he would receive more for his wheat. The same argument applies to wheat and to corn that applies to cotton. Why discriminate against the wheat farmer? Why discriminate against the corn farmer?

Mr. OVERTON. It is a discrimination that is not being brought about by anyone representing the cotton farmer, the tobacco farmer, or the rice farmer.

Mr. WHEELER. I agree to that, and that is the reason I am appealing to the cotton farmers and the rice farmers to vote down this amendment and let the provision which is now in the measure remain.

Mr. OVERTON. I agree with the able Senator. I think the best course to pursue is to vote down the amendment.

Mr. BANKHEAD. Mr. President, this amendment was adopted in the Committee on Banking and Currency, putting all the commodities affected on exactly the same basis, and it was really presented in line with the President's recommendation. The figures were accepted also because we were informed that 90 percent had been mentioned, and was agreeable to the President. It will be recalled that he had mentioned the importance of putting floors under these agricultural commodities.

I was approached about this amendment by the Senator from Nebraska, who offered it, and I told him that if the wheat producers and the corn producers did not want to be included, of course I did not want to force them into it, but personally I favored putting in all the commodities as they were included in the committee.

I do not like to have a controversy develop between the producers of wheat and corn which may result in cotton, tobacco, rice, and peanuts being left out, or the loan provision being left even in the discretion of the President, because he may feel as the Senator from Illinois feels, and if we put in a few and leave

the matter to the President's discretion, he may not apply the ceiling to any of them.

I want it known, for whatever effect it may have, that the groups interested in cotton, tobacco, rice, and other commodities included have had nothing to do with this movement. I had been led to believe that there would not be any disagreement between the corn and wheat interests about the matter, but now the disagreement appears.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. McKELLAR. As I understand, there has been no application, no desire, no purpose, no intent, and nothing done, to have the cotton, rice, and tobacco included in the amendment.

Mr. BANKHEAD. There will be; notice has been given that an effort will be made to include cotton.

Mr. McKELLAR. But the cotton, tobacco, and rice producers have not made any request to be included.

Mr. BANKHEAD. No.

Mr. BROWN. Mr. President, I fully concur in what the Senator from Alabama says. The amendment did not come from the cotton-growing States, or from Senators representing cotton-growing States. I greatly regret that the Senators from corn-growing States feel as they do about the proposal. The situation is a very practical one, for the 90-percent loan as to the other commodities would not affect the level of prices, but a 90-percent loan on corn and wheat would materially affect prices.

This matter was the subject of criticism in the committee and in the country, and on the part of the administration, when the 90-percent loan proposal was placed in the bill by the Committee on Banking and Currency.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. BROWN. I shall yield in a moment. The amendment is the amendment of the Senator from Alabama. As he stated, the amendment was based largely on the President's message. No specific figure was given for a floor, but floors were mentioned in the message, and we were confronted by the very practical proposition, that corn and wheat, if given 90-percent loans, would rise materially in price. Our idea in sponsoring the joint resolution has been to stabilize prices as they are, and despite the misgivings of many Senators, I am satisfied that they will be stabilized substantially as they are. But if we do not in some way give the President this limited and small discretionary power between 85 and 90 percent of parity for a loan basis, we shall be criticized throughout the country for permitting an upward bound in the cost of living to the amount of \$650,000,000.

The Senators from Montana and Illinois both say that that cannot be explained. I think it has been explained on the floor of the Senate. I think when we are setting up a definite price stabilization as of September 15, 1942, and we find that this 90-percent amendment would greatly disturb that situation, the farmers will understand. There is no

great dissatisfaction with the prices of corn and wheat at the present time. We are merely carrying out the general idea of the joint resolution, to keep prices at the present level.

I now yield to the Senator from Connecticut.

Mr. DANAHER. Is it not a fact that the Department of Agriculture informed us that the increase in cost to consumers as a result of the amendment as it came from the committee would amount to \$650,000,000 a year?

Mr. BROWN. The Senator is correct.

Mr. DANAHER. Am I not correct in having understood the Senator from Michigan to say that the committee amendment was not the work or the amendment of the Senator from Alabama?

Mr. BROWN. The Senator did not hear quite all the statement. I said that the amendment of the Senator from Alabama was an amendment which included within the 90-percent loan classification all basic commodities, and all commodities the production of which is encouraged by the Secretary of Agriculture, and that it was not the idea of the Senator from Alabama that corn loans should be reduced to 85 percent.

Mr. DANAHER. Let me ask the Senator from Michigan whence the amendment came? It was not in the original joint resolution.

Mr. BROWN. No; it came from the Senator from Nebraska, who offered it awhile ago.

Mr. DANAHER. I am not referring to the pending substitute, but to the committee amendment.

Mr. BROWN. The committee amendment came from the Senator from Alabama; but, as I tried to make plain, the Senator's amendment covered all crops under the 9-percent floor provision.

Mr. DANAHER. It did and does represent an increase in loan rate from 85 to 90 percent?

Mr. BROWN. That is correct.

Mr. DANAHER. On all basic commodities?

Mr. BROWN. Yes.

Mr. DANAHER. I thank the Senator.

Mr. BANKHEAD. I am sure the Senator from Michigan and the majority leader will confirm the statement that in the original conference—at which I was permitted to be present—between the two Senators who were the authors of the joint resolution, there was discussion of the question of the amount to be included in the measure in order to carry out the recommendations contained in the President's message, there was a discussion as to whether the loan rate should be 100 percent or less.

Although the Senate, after a very active contest about a month or so ago, passed the measure providing for 100-percent loans on all these basic commodities—and I was coauthor of that bill, with the junior Senator from Georgia—in view of subsequent developments, in view of the removal of the 110 percent of parity—10-percent extra—which prevented fluctuations in the prices of these commodities above 100 percent, I told the members attending the conference that I would not insist on the 100 percent because it would

leave no margin for fluctuation but would amount to a fixation at 100 percent of the price. If the floor was fixed at 100 percent and the ceiling at 100 percent, the market would be closed.

Mr. BARKLEY. Will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BARKLEY. I believe the Senator also suggested that if the floor and the ceiling were fixed at 100 percent of parity, and a loan rate were fixed at 100 percent of value, the tendency and the incentive would be for all producers to put their crops in the hands of the Government and take the 100 percent loans. It should be emphasized that when the 100-percent loan bill was passed, of which the Senator was the author, or perhaps coauthor—

Mr. BANKHEAD. The Senator from Georgia was coauthor.

Mr. BARKLEY. That is correct. The 100-percent-loan provision which was in the bill was based on 110 percent of parity and based on the theory that there ought to be about a 10-percent difference between the parity requirement and the loan; otherwise all crops might go into the hands of the Government under the loan.

Mr. BANKHEAD. That is correct. It was in recognition of that principle that I proposed to the conference that we reduce the rate to 90 percent, although the Senate had adopted 100 percent.

I make this statement because someone asked where this amendment came from. It was then agreed by those present that I should prepare the amendment along the lines agreed on and present it to the committee. In that way I became the author of the amendment in the committee, rather than have it in the original draft, because the original draft of the bill was then ready for introduction. That is how the matter started.

Mr. HERRING. In answer to the Senator from Kentucky let me say there was no objection to the 90 percent covering all basic commodities. We are making the objection because you singled out corn and wheat.

Mr. BANKHEAD. Do not say I did.

Mr. HERRING. I voted against the 90 percent in the committee. It was passed over my vote. I now merely ask that if we are to have a 90-percent commodity loan, it should apply to all commodities.

Mr. BANKHEAD. I agree with the statement of the Senator.

Mr. DANAHER. Will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. DANAHER. There were many other members on the committee who voted with the Senator from Iowa, including myself. It is my recollection there were several proxies voted the other way, and that is how the amendment got into the bill.

Mr. BANKHEAD. I shall not take further time in the matter, Mr. President. The pending measure is in the interest of stabilizing and putting floors under certain agricultural commodities. It is a measure which has been recommended by the President. It embraces a principle generally recognized, and certainly all representatives of the com-

modities which are left in the joint resolution have no desire to exclude any other commodity, and if any other commodity is excluded, it will be by the action of the representatives of that specific commodity. In view of the opposition which has arisen—I was led to believe there would not be any—I shall vote against the amendment offered by the Senator from Nebraska.

Mr. DANAHER. Will the Senator further yield?

Mr. BANKHEAD. I yield.

Mr. DANAHER. I suggest that a feasible way of reaching the heart of the problem would be for the Senator from Alabama to withdraw his amendment. In that way he could relieve the whole difficulty.

Mr. BANKHEAD. The Senator from Connecticut ought to have better judgment than to make such a suggestion.

Mr. TAFT. Mr. President, I have never understood the reason for including the 90-percent loan amendment in the joint resolution, which is a measure to reduce the whole level and stabilize the cost of living. The principal items of which complaint is made and which the bill will affect, are milk, butter, eggs, and, to some extent, meat products. The loan provided for on wheat and corn will increase the cost of feed. It will increase the cost of producing pork, for instance, by 40 cents a 100 pounds. The moment the amendment to the law goes into effect it will raise the price of corn to such a point that the increase in the cost of feeding hogs will be 40 cents a hundred pounds.

The great complaint throughout the country today is over the cost of meat and the cost of dairy products. In the pending measure, which is designed to hold the present levels, it is proposed that we include a provision which will forcibly raise the price.

Heretofore we have been talking about restraining, but now we are taking a price which probably is above its natural level anyway and are proposing by this loan provision to increase it 5 percent in the case of corn and wheat. That is directly against the very purpose of the pending measure. It will negative, to my mind, a large proportion of the gain which might conceivably be accomplished in holding down the price of dairy products to 100.

Mr. President, it makes no difference to most farmers, because the parity payments provide for 100 percent of parity, and consequently the corn and wheat farmer who sells at 85 percent gets 15 percent as his parity payment. If it sells at 90 percent he gets 10 percent as his parity payment. So, as far as I can see, it makes no difference to him. It is a slight subsidy policy, but we have adopted that policy for years, so I see no objection to it at the present moment.

It is suggested that this proposal was in accord with some agreement. I was not present at the conference to which the Senator from Alabama [Mr. BANKHEAD] refers, but it certainly does not carry out the idea presented by the President in his message. He suggested that there be a floor under farm prices—when? After the war, so as to help the farmer at a time when prices are likely

to collapse. The amendment, when originally proposed by the Senator from Alabama, contained a provision that the 90-percent loan should continue for 3 years after the war. That was finally yielded. So it came back as nothing but an immediate price-raising measure, so far as corn and wheat are concerned.

I do not care about cotton, because cotton is already selling for more than the 90-percent loan. The price of cotton will not be raised by this particular loan provision. I am not absolutely certain, but my impression is that the price of cotton and cotton goods, for a long time to come, is set on the basis of a cotton price higher than the 90-percent loan.

So far as the next year is concerned it does not make any material difference to the consumer whether cotton has an 85 percent or a 90 percent loan. It, therefore, makes no difference to me. It seems to me that the only effect of raising the loan price on corn and wheat is to increase the cost of living, and to increase the difficulties of the meat producers and the dairy farmers, who presented the greatest case for increased cost, from the standpoint of labor and other elements, and finally to increase the cost of living in connection with the very item about which the housewife is most severely complaining. So it seems to me that certainly we should agree to the Butler amendment. What we do with cotton is immaterial to me. I do not think it will have any immediate effect whatever on the economy of the country.

Mr. LANGER. Mr. President, I wish to appeal to Senators to vote against the amendment for the reason which I shall state. During the last World War in the Northwest a price was set on wheat. Cotton went to 40 cents a pound during the last war. We confront apparently a similar situation at this time. I have before me the debates which occurred in Congress 25 years ago, during the last World War. Those debates show that at that time also the wheat farmer was discriminated against. I do not know of one good reason why the farmer who raises cotton or why the farmer who raises tobacco should get a better deal than the farmer who raises wheat and the farmer who raises corn. We are today asking for just exactly the same kind of a deal for all four commodities. I hope therefore the amendment will be rejected.

Mr. LUCAS. Mr. President, regardless of what happens to the Butler amendment, I am going to offer the following amendment, on page 6, line 19—to strike out the word “the”, and in lieu thereof to insert:

If the President determines that loans at the rate provided for in this section will aid in the effective prosecution of the war, the—

Then follows the language in line 19—Commodity Credit Corporation is authorized and directed to make available upon any crop—

And so forth. I do not wish my position misunderstood in connection with this measure. The Senator from Illinois has consistently and constantly, since the measure was brought to the Senate, sup-

ported the theory of the President, insofar as inflation is concerned, and I am against any amendment that will tend to produce inflation. In other words, I think my amendment will not in anywise affect the present economy of the country, but it will do exactly what I have explained from the first—it will leave the discretion with the President of the United States as to whether or not he shall grant a loan of 85 percent on corn, wheat, or cotton. That is all I am asking. If 85 percent on corn is sufficient, and the President so states by an order to the Commodity Credit Corporation, I am satisfied. If he authorizes an 85-percent loan on wheat, I am satisfied. If he wants, under his discretion, to grant a loan of 90 percent to cotton, as is suggested here, I am satisfied. I shall not by my vote make it mandatory that cotton shall obtain a loan of 90 percent, which would happen if the Butler amendment were adopted. I cannot let that go to the country and permit the corn and the wheat farmer to remain on the 85-percent loan basis. In other words, we have a floor at the present time on all these commodities of 85 percent of the parity price, and I have always doubted the wisdom of giving 90 percent, as is proposed in the amendment, because we have already fixed a floor through the loan legislation passed by the Congress providing for mandatory loans. The mandatory loans are to be made on the basic commodities.

Mr. BROWN. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. BROWN. Everyone realizes that, so far as I am concerned, I have no particular State interest in this matter. I had hoped that the suggestion made by the Senator from Nebraska would be acceptable to the Senator from Illinois with whom, he will recall, I discussed the question, as well as with the Senator from Iowa and others who are interested in it. It is quite apparent that we are going to have to go to conference on this matter. The Senator from Alabama [Mr. BANKHEAD] will be a member of the conference committee. I urge Senators representing these two particular interests to note that, from a practical standpoint, the wheat and corn farmers are not asking that this \$650,000,000 be added to the bill of the American consumers.

Mr. LUCAS. Mr. President, will the Senator yield at that point?

Mr. BROWN. I yield.

Mr. LUCAS. The Senator from Michigan does not think I am asking for that.

Mr. BROWN. No; I certainly do not. The Senator from Illinois has just stated that if the President makes an 85-percent loan on corn and a 90-percent loan on cotton and peanuts and tobacco and these other crops, he would be content. With that situation facing us I ask the Senator from Alabama if he will not let us put in the measure a provision for 85 percent. Then when the joint resolution goes to conference I am quite satisfied that we can work out with the administrative authorities a provision which will solve the problem. If the amendment which the Senator from Illinois offers

would have the result, as I think it may, of defeating the Butler amendment, then we would be in the situation of both the House and the Senate having definitely adopted a provision for 90-percent loans, and the conferees could not do anything about it. Every Senator admits that the situation is such that the \$650,000,000 ought not to be added to the bill of the American consumer. With that situation in mind I appeal to the Senator from Alabama.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BANKHEAD. I wish to say, in order that there may be no misunderstanding about the matter, that I do not take any stock at all in the statement furnished to the Senator from Michigan by an employee in the Department—and I know who furnished it—that a proposal for a 5-percent loan increase would result in an increased cost to the consumer of \$650,000,000.

Mr. BROWN. Mr. President, I will say that the information was not furnished to me by an employee; it was furnished to me by the Price Administrator.

Mr. BANKHEAD. But it came through an employee. The Government, in fact, will not lose money on its cotton loans, and probably will not lose any money on its tobacco loans. Those loans are not an expense to the Government. They are recoverable.

Mr. President, as the present shortage of farm labor increases, and as there is a greater demand for food for lend-lease purposes, I have no apprehension that the Government will lose anything at all on these loans. The Government has a large quantity of wheat which it can sell. That wheat is holding the price down. Putting wheat and corn in loan will not necessarily increase the price of those commodities. We fought that fight here previously. I assisted the administration in that fight, which tied up the agricultural appropriation bill for about 2 months. One of the principal points involved in that fight was the proposal that we give the administration power to sell wheat at 85 percent of the parity price of corn. The administration still has that power, and will have it throughout the present marketing year—nearly an entire year, up to the 1st of next July. So I do not think this matter ought to be decided upon a statement that the proposed action will cost the consumers of the country any great amount of money. I doubt if the President would have suggested 90 percent, as anxious as he is to protect consumers, if there had been any real justification for a conclusion of that sort.

Mr. LUCAS. Mr. President, will the Senator from Alabama yield for a question?

Mr. BANKHEAD. I yield.

Mr. LUCAS. What benefit can the cotton farmer derive from the 90-percent loan being made mandatory in the pending measure in view of the present market price of cotton.

Mr. BANKHEAD. So far as price is concerned, as the Senator from Ohio has properly said, cotton is selling above the loan value. If, however, with the tre-

mendous crop which we have—the largest in recent years—and with very few speculators or buyers of hedges in the market, the cotton is dumped on the market, as most likely it will be, the price of cotton will be driven down to the loan point. I do not believe it will ever go much below the loan point; but the fact that we have a little higher loan point will stabilize the price, and the mills will buy at that level to keep cotton from going into the loan. So I think there is a possibility that it would be helpful to the cotton farmers from that standpoint. It is conceded that nobody expects the Government to suffer any loss as a result of the loan. I do not know whether or not it would benefit the wheat and corn producers. If it would, I should be glad to vote to benefit them. If it would benefit them, considering the loss of labor they have suffered and the increase in costs to which they have been subjected, I think we ought to be willing to benefit them if we can do so by raising the market price 5 percent and letting the farmer have the benefit of the increase. I am willing to take that responsibility, in view of the distressing situation now confronting agriculture.

Mr. BROWN. Mr. President, I have the floor.

The PRESIDING OFFICER (Mr. BUNKER in the chair). The Senator from Michigan has the floor.

Mr. BROWN. Mr. President, in view of the President's message, and in view of the sacrifices which must be made by farmers in preventing prices from going considerably higher than they now are, I believe that the Senator from Alabama is justified in asking for a 90-percent loan. But the corn and wheat producers are not asking for the \$650,000,000, if Mr. Henderson is correct as to the figure. If we pass the joint resolution as it is, there will be absolutely nothing in the conference on the question.

The Senator from Alabama and I have many times made agreements in the cloakrooms and elsewhere. We did so this morning. We have been able to compromise on many things. Let me say to the Senator from Alabama that I will commit myself to see that he is fully protected in conference with respect to 90-percent loans for basic commodities. However, I think it would be most unfortunate, when elements of agreement on this question are apparent from what the Senator from Illinois [Mr. LUCAS] and the Senator from Iowa [Mr. GILLETTE] have said, to lose the opportunity to go over this question and possibly obtain some idea from those in charge of the administration as to what rates would be used as a basis for loans.

I again appeal to the Senator from Alabama. I am sure that the Senator from Kentucky [Mr. BARKLEY], the Senator from New York [Mr. WAGNER], and I are willing to be committed to see that the Senator's amendment with respect to the crops in which he is primarily interested is carried out. If we cannot agree on anything else, we can include the 90-percent provision.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BROWN. I should like to discuss this question with the Senator from Alabama. I am sorry to spend as much time on it as I have spent, but this is a highly important provision.

I do not wish to be accused of approving a measure which those in charge of the administration say would result in an additional cost of \$650,000,000 to the consumers of the United States. I do not believe that the Senator from Illinois [Mr. LUCAS] wishes to be charged with that responsibility.

Mr. LUCAS. I so stated.

Mr. BROWN. Under the circumstances he certainly cannot be so charged.

I appeal to the Senator from Alabama. Let us adopt the 85-percent basis, with the assurance that the Senate conferees will agreed to 90 percent if we cannot work out something which is satisfactory to everyone concerned. However, we cannot work it out on the floor of the Senate.

Mr. BANKHEAD. Mr. President, I would trust my very character in the keeping of the Senator from Michigan. I would not have any sort of doubt about his compliance, both in letter and in spirit, with the assurance he has just given. If the question did not include anything but the matters in which I am directly interested, I should quickly accept the proposal. However, unhappily there are differences among the wheat and corn producers, particularly the producers of wheat. Two Senators want the 90-percent provision for wheat. I do not want to be accused of taking care of my personal interests and leaving them in the lurch.

Mr. BROWN. I again appeal to the Senator. The Senator from Illinois has stated that he was principally concerned about wheat.

Mr. BANKHEAD. No; about corn.

Mr. BROWN. No; I think he stated that he was principally concerned about wheat.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. WHEELER. In part I represent a wheat-producing State. I do not care who in the Department of Agriculture stated that an increase of 5 percent in the price of wheat would result in an increased cost to the consumer of \$650,000,000.

Mr. BROWN. The reference was to the prices of both wheat and corn.

Mr. WHEELER. Such an increase in the loan price of corn might raise the price of cattle somewhat. However, wheat is not fed to any extent to cattle or hogs. It is fed to chickens in the East and in other places.

When the price of wheat was low it did not affect the price of bread. The price of bread did not go down. When the price of wheat goes up the price of bread does not go up. As a matter of fact, the price of wheat in the United States has practically nothing to do with the price of bread, the price of cake, or the price of pastry. So far as the cost of food to the general public is concerned, as it is involved in the cost of flour and other wheat products, the price of wheat has practically no effect whatever ex-

cept in the case of chicken raisers, who feed a comparatively small amount of wheat to their chickens. However, the great bulk of the high-grade, high-protein wheat which is produced in Montana, North Dakota, and other States is not fed to chickens or to cattle. It goes into the manufacture of flour. What excuse can I give to the producers of high-grade northern wheat in Montana for raising the loan value of cotton, but not of wheat?

The Senator says that the wheat farmers are not asking for any increase. The representatives of the corn farmers were here, and they did ask for it. The representatives of the wheat farmers in the Northwest must have been asleep at the switch, because they did not call the situation to the attention of anybody in Washington.

Mr. BROWN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BROWN. Assuming that the course we shall take when the joint resolution has been finally perfected is to proceed to consider the House bill, strike out all after its enacting clause, and substitute the language of the Senate joint resolution for that of the House bill, would the subject of the Bankhead amendment be in conference?

The PRESIDING OFFICER. It would be if it were retained in the Senate amendment.

Mr. BROWN. This inquiry may perhaps go beyond the proper scope of inquiry; but under the rules could a point of order be made in the House of Representatives against any change which might be made in the amendment known as the Bankhead amendment in the Senate, and I believe known as the Steagall amendment in the House, if the two were identical as they came to the conferees?

The PRESIDING OFFICER. No point of order could be made against any part of the Senate amendment.

Mr. BROWN. Then I take it that if we adopt the Bankhead amendment as it is, the entire subject matter of the so-called floor of the 90-percent loan would be subject to change in conference?

The PRESIDING OFFICER. Where one House adopts an entire substitute for the bill of the other body, the conferees have very wide latitude in dealing with the question and may make any germane amendment or modification.

Mr. BARKLEY. Mr. President, I do not know whether the Senator has called attention to the fact that before we finish we must take up the House bill and substitute the language of the Senate joint resolution for that of the House bill.

Mr. BROWN. I so stated.

Mr. BARKLEY. I was detained from the Chamber, and I did not know whether the Senator called attention to that feature. When we strike out all after the enacting clause in a House bill and substitute the language of a Senate measure, wider latitude is allowed than is ordinarily true when a House bill is amended by sections.

Mr. BROWN. I wished to be satisfied that in conference we would have the right to go into the question and endeavor to reach an agreement satisfactory to every one concerned, even accomplishing the very difficult task of satisfying the Senator from Montana.

Mr. WHEELER. Mr. President, it is difficult to satisfy the Senator from Montana when Senators rise in their places and try to discriminate against the people whom I in part represent. I am not concerned with whether or not my attitude dissatisfies anyone. I am trying to help the poor devils who live on farms in Montana, North Dakota, and other States, and who have suffered more than almost any other class of people in the United States. Goodness knows, they have few voices to speak for them in the Senate. If I am to be criticized for raising my voice in defense of the poor wheat farmer, living in a hovel and slaving from morning until night, I am perfectly willing to take the criticism.

Mr. BROWN. The Senator from Michigan has as much concern for the farmers of Montana as has the Senator from Montana for the farmers of Michigan.

Mr. WHEELER. However, in Michigan there is diversified farming.

Mr. BROWN. We have a very diversified State. Let me say that I do not regard myself as representing only the corn farmers or the wheat farmers or labor or industry; in this matter I am endeavoring to represent the people of the United States.

Mr. WHEELER. There are some persons who take it upon themselves to feel that they, only, represent the people of the United States. I say that I am representing the people of Montana and that I am trying to represent the people of the United States. The other day I heard the Senator say that the President, only, represented the people of the United States, and that the Members of the Senate represent only selfish interests in their own States.

Mr. BROWN. No; I made no such statement whatever.

Mr. WHEELER. Then I misinterpreted the Senator's statement; but if that inference was not carried in the Senator's statement I do not know what was.

The reason the founding fathers set up a House of Representatives and a Senate that they wanted the composite views of the Members of Congress to decide such questions as those now confronting us, because they believed that the Members of Congress would be closer to the people of the country than the President of the United States could be.

Mr. BROWN. I do not disagree with that principle at all.

Mr. WHEELER. When a Member of the Senate says we must let the President of the United States do everything under the sun, and that the Senate is not competent to act, I say that he who makes such a statement is advocating the setting up of a Fascist government in this country. I frankly say to the Senator and to the people of the country that I entertain the fears expressed the other day on the floor of the Senate

by the senior Senator from Wisconsin [Mr. LA FOLLETTE] when he said that in the United States of America we are headed as fast as we possibly can be toward some form of fascism—not because the President of the United States wants to do so, for I do not think he does, but all over the world the trend is toward dictatorship and one-man power. I deplore the fact that there is in this country a great and growing sentiment in favor of having Congress submit everything to the President.

Mr. BROWN. It seems to me that the Senator from Montana uses whatever remarks I make about wheat, corn, or anything else as a springboard in order to make an attack on the remarks I made the other day and to make an attack on the President of the United States.

Mr. WHEELER. Does the Senator from Michigan say that I made an attack on the President?

Mr. BROWN. I rather think that in his attitude the Senator is quite critical of the President.

Mr. WHEELER. Mr. President, it would seem that no one can say anything in disagreement with the views of the President without being charged with attacking the President. I am not attacking the President in the slightest degree. I said that at the present time the whole trend in the country is toward concentrating the powers of the Government in the hands of one man.

In time of war we have to do a great deal of that sort of thing; but after the war is over we shall face a crisis in this country, and the cry will go forth that the Congress should turn over more and more power to the administrative authorities.

Mr. BROWN. The Senator from Montana will find me fighting on his side when that time comes.

Mr. WHEELER. Exactly; I have not the slightest doubt that the Senator from Michigan will be fighting on my side, because I know that the Senator from Michigan is just as much in favor of preserving a representative form of government in a democracy as I am; and I believe that the vast majority of the Members of the Senate and the Members of the House of Representatives have the same feeling.

I have referred to current trends. The newspapers are constantly attacking the Congress, and are saying that it is controlled. The tendency is to try to discredit Congress, because there is an attempt to concentrate power in the hands of the Executive. Mr. President, I feel that if in the future present trends continue to develop we shall have in this country a Fascist government, even though today we are fighting fascism throughout the world.

Mr. BROWN. Mr. President, under all the circumstances, in view of the attitude expressed by the Senator from Alabama [Mr. BANKHEAD], the Senator from Illinois [Mr. LUCAS], the Senator from Iowa [Mr. GILLETTE], the Senator from Montana [Mr. WHEELER], and other Senators, and in view of the fact that it is apparent that we can work out the matter in conference, I ask my friend and

colleague the junior Senator from Nebraska [Mr. BUTLER] if he does not think it would be wise to withdraw his amendment?

Mr. BUTLER. I shall abide by the counsel and advice of the chairman of the Banking and Currency Subcommittee if he desires that I do so.

The PRESIDING OFFICER. Does the junior Senator from Nebraska withdraw his amendment?

Mr. BUTLER. Yes; I withdraw it.

Mr. DANAHER. Mr. President, one thing said by the junior Senator from Michigan has forcefully struck me. A few minutes ago he offered an agreement in the names of the chairman of the Committee on Banking and Currency, the senior Senator from New York [Mr. WAGNER], the majority leader, the Senator from Kentucky [Mr. BARKLEY], and himself, all of whom, as he knows, will be conferees, to protect the interests of the senior Senator from Alabama [Mr. BANKHEAD]. I do not know the nature and scope of the proposed agreement, but I do know that when I read the House measure and see in it the provision that the 90-percent-loan rate is to be continued for 3 years after the war, and when I hear the Senator from Michigan and the Senator from Kentucky talk about striking out all the Senate measure and substituting the House measure therefor, I wish to know to what extent they intend to go. We have had no testimony before the Committee on Banking and Currency with respect to the very amendment which is in the joint resolution. We do not know whether it is wise, proper, and prudent to guarantee that the basic commodities shall receive a 90-percent-loan rate, and that it shall continue for 3 years after the war.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. BROWN. I do not know whether the Senator intentionally misstated the matter; but let me say that the proposed parliamentary procedure is that in the House measure we strike out all after the enacting clause, and substitute provisions of the Senate measure for the part stricken out.

I am advised by parliamentary authorities, including our own, and by various Senators, including the Senator from Alabama [Mr. BANKHEAD] and the Senator from Kentucky [Mr. BARKLEY], that we shall have open to us the entire question of the 90-percent floor, so called. I did not include the Senator from Connecticut [Mr. DANAHER], and the Senator from Ohio in my list of conferees, because that is a matter for the minority to settle among themselves; but I happen to know who will be the conferees for the majority. I know the views of the Senator from Connecticut. I think they are in entire accord with my own. However, I am in a difficult position. I want to save the American people \$650,000,000 if I can do so; and apparently there is very strong indication that we may be able to do so.

Mr. DANAHER. Let me ask the Senator from Michigan a question. When he speaks, as he purports to do, only for the majority conferees whom he already

knows, and when he says he will protect the interests of the Senator from Alabama, is it his purpose to go into the conference and to accept the proposal that a 90-percent loan rate be guaranteed for 3 years after the war? Is that a part of his proposal?

Mr. BROWN. No; I did not say that.

Mr. DANAHER. When the Senator says it is his intention to protect the interests of the Senator from Alabama, is that what he means he will do?

Mr. BROWN. I intend to protect the interests of the Senator from Alabama "as is."

Mr. DANAHER. The Senator from Michigan does not mean to protect the Senator from Alabama or anyone else by accepting the proposed provision for a 90-percent loan rate to be guaranteed for 3 years after the war, does he?

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. BANKHEAD. The Senator from Connecticut is a member of the committee, and he knows that in the committee I withdrew that part of the amendment, and did not even submit it to the committee.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. BROWN. The Senator from Connecticut knows that it is a little unusual to be so frank about such matters on the floor of the Senate, but I have stated the matter openly.

Mr. DANAHER. We are being so frank that I should like to ask whether the Senators in charge of the pending measure made an agreement with the Senator from Alabama that the 90-percent loan rate would be included in the joint resolution as a concession on their part in order to secure its passage.

Mr. BROWN. No; I never made any such agreement.

Mr. DANAHER. How did the provision get into the joint resolution?

Mr. BROWN. I voted for it because I thought that it was desirable to have a 90-percent floor in the joint resolution in order to encourage Senators representing farm States to go along with the measure, as they have done.

Mr. DANAHER. What the Senator from Michigan really means is this; is it not? He wants section 1 of the joint resolution, and he wants it so much that he would make this concession to the Senators from the States affected in order to persuade them to go along with the measure. Is not that the case?

Mr. BROWN. My idea is that if I can save the American people from an increase of \$650,000,000 in their meat bill I want to do so. That is why I have been talking for the last hour.

Mr. DANAHER. Is it not a fact that if we were to agree to the amendment submitted by the Senator from Nebraska [Mr. BUTLER] we should save the American consumers \$650,000,000 a year?

Mr. BROWN. Certainly; but it was quite obvious that the amendment offered by the Senator from Nebraska would not be agreed to.

Mr. DANAHER. It is equally obvious that the Senator from Michigan has

asked the junior Senator from Nebraska to withdraw his amendment which would have saved the consumers \$650,000,000.

Mr. BROWN. The amendment of the Senator from Nebraska would not have been agreed to.

Mr. DANAHER. Is the Senator's action in connection with the amendment also in the interest of getting Senators to go along with the measure?

Mr. BROWN. I am perfectly willing to leave to the Senate the matter of judging as to my fairness.

Mr. DANAHER. I have no criticism of the Senator's fairness, Mr. President; my criticism is that he has been too fair. [Laughter.]

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WHEELER. It would seem to me that it is quite apparent from the statement of the Senator from Michigan that what was to happen was that in conference a concession was to be made to the cotton farmers, but that the poor wheat farmers in Montana would have their throats cut because the Senator from Michigan wants to protect the consumers in the East. After all, the farmer is a consumer, just as he is a producer. Many persons forget that fact. Let me say that if the conferees go into conference and proceed to give the cotton farmer 90-percent loans, but do not give them to the wheat farmers, they will hear from sections of the country that they would wish they had not heard from, for already the wheat farmers of the Northwest feel that they have been discriminated against by the legislation which has been passed, and they likewise feel that they have been discriminated against by the administration, because they believe that the cotton farmers are getting the best of it.

We have never asked anything for the wheat farmers of Montana and other wheat farmers in the Northwest, but have gone along with the cotton farmers and the tobacco farmers and the corn farmers time in and time out. We do not expect, however, to have things juggled so that when it comes to 90-percent loans we will be left out in the cold. Anyone who has any common sense at all knows, I repeat, that the price of wheat has very little, if anything, to do with the price of bread or the price of pastries, and to say that the wheat farmers of the country are responsible for inflation is sheer nonsense.

Mr. DANAHER. Mr. President, did the Senator from Montana perceive any extension by the Senator from Michigan of his agreement to the Senator from Nebraska to protect him in conference? I do not think the Senator from Montana is necessarily justified in thinking that the majority conferees are going to give to the Senator from Nebraska any special consideration.

Mr. WHEELER. It was certainly not said to the representatives of the wheat farmers that they would receive any special consideration in the conference, but it was said to the Senator from Alabama, "We will see that you are protected in your 90 percent loans." If the cotton farmer is to be protected with reference

to his 90 percent loan then I want the farmers of my State protected in the same way.

Mr. DANAHER. The truth of the matter is that every word of section 8 should be stricken from the joint resolution. Then there would remain the guaranty already existing in the statute under the amendment of 1941. There would be included the basic commodities, there would be included all comparable commodities, and there would be included all commodities for whose expanded production the Secretary of War may call.

May I ask the Senator from Illinois, in view of the parliamentary situation which has developed by the withdrawal of the amendment previously suggested by the Senator from Nebraska, is it his purpose now to offer his proposed amendment in line 19 on page 6?

Mr. LUCAS. I will say to the Senator from Connecticut it is my intention to do that.

Mr. DANAHER. I think it is so desirable an amendment that I wish to offer in advance the assurance of my support. In making that statement I do not purport to represent any group of minority conferees or to extend an agreement in their name, but I am very greatly in favor of the amendment.

Mr. BUTLER. Mr. President, I wish to say a word before this matter is entirely closed. I desire to state for the RECORD that there was positively no understanding as to what would take place in conference, so far as I was concerned, in regard to the matter mentioned in my amendment or in any other amendment. It was offered in the interest of unity and harmony, and it was withdrawn in the same spirit when it became apparent that it would not accomplish any good. Like the Senator from Connecticut, I am happy that the Senator from Illinois will present his amendment later on.

Mr. LUCAS. I ask that the amendment offered by me be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 6, line 19, it is proposed to strike out the word "The" and in lieu thereof to insert:

If the President determines that loans at the rate provided for in this section will aid in the effective prosecution of the war, the—

Mr. LUCAS. Mr. President, this amendment has been briefly discussed by various Members of the Senate. It proposes to do only one thing, and that is, insofar as legislative action is concerned, to place all the farmers raising the basic commodities upon the same plane. That is the effect of the amendment, and in nowise would it increase the cost of living to the consuming public of America.

The \$650,000,000 that has been bandied around in this debate will not be there unless the President of the United States himself wants to increase the loans permitted to the wheat and corn farmers to 90 percent, and if the President should want to increase the loan value of cotton to 90 percent he would have a right to do so under the amendment.

Mr. NORRIS. Mr. President—

Mr. LUCAS. I yield to the Senator from Nebraska.

Mr. NORRIS. I did not quite understand the amendment, in view of the Senator's explanation of it. As I understand the amendment as read, it merely proposes to strike out the word "The." Is that correct?

Mr. LUCAS. I suggest that the clerk read the amendment for the benefit of the Senator. I have not a copy of it on my desk.

The PRESIDING OFFICER. The clerk will again state the amendment.

The CHIEF CLERK. On page 6, line 19, it is proposed to strike out the word "The", the first word in the line, and in lieu thereof to insert:

If the President determines that loans at the rate provided for in this section will aid in the effective prosecution of the war, the Commodity Credit Corporation—

And so forth.

Mr. NORRIS. That would necessitate an amendment on page 7, would it not?

Mr. LUCAS. Mr. President, I do not think any other amendment at all will be required. The amendment offered by me simply states that if the President, in his discretion, in the interest of the war effort, believes it advisable and necessary to increase the loan up to 90 percent upon the basic commodities, he shall have the right and power to do so. In other words, the loan value, in all cases, is now 85 percent, and, instead of making it mandatory to increase the loan value upon any basic crop by the legislation we have been discussing, my hope is to leave the basic commodities in the present category at 85 percent insofar as loans are concerned. If the President so desires and believes it to be essential in the prosecution of the war to increase the loan from 85 to 90 percent on these commodities he shall have the power under this amendment to do so.

That is all there is to it. It is fair, it is elemental, and everyone can understand it. The President can understand it, and the country will understand it. That is the chief reason for my offering the amendment.

I do not want it said in my section of the country that the Congress of the United States, in this hour, discriminated against any particular section of the farm segment of this country. That was my fear of the Butler amendment. That should not happen in conference. I want to place all on the same basis. If there is some valid reason, in the prosecution of this war, and the President so finds in an order he might issue, why the price of cotton insofar as loans are concerned should go to 90 percent, well and good; the Senator from Illinois would favor it. If the President determines, in the course of the conduct of the war, which may last 2, 3, 4, or 5 years—no one knows—that the price of corn should go to 90 percent or the price of wheat should go to 90 percent insofar as loan value is concerned, then, I want him to do that; I want him to have that power. That is all there is to the amendment. It seems to me that no one should seriously object to it. I ask for a vote on the amendment.

Mr. BANKHEAD. Mr. President, it seems to me that the statement can be made just as strong on the other side that no one should insist upon putting

the responsibility on the President of making selections between these commodities. I think it would be a great imposition on the President. It would be naturally disturbing to him, if he decided that this loan should be placed on corn in order to increase and encourage production, to leave other commodities out, even though he thought possibly that it was not necessary for those commodities to be included. I think it is an unfair position in which to put the President, compelling him to make a choice of that sort, or such a decision as between commodities.

In the next place, putting a floor under a commodity has a purpose in addition to the fixation of price. It serves an additional purpose in that it provides financial facilities to the farmer, without risk of loss, to carry his cotton or wheat or corn until a later time, if in his judgment the price will thereafter be increased.

We should not forget that all the primary basic commodities under discussion—corn, wheat, and cotton—are now below parity in price. If a producer of those commodities believe that in due course, with a rising trend of prices elsewhere, the price of one of the commodities will go to parity—and it could not go higher under the pending measure—then the Government will have provided a loan system to enable the farmer to finance without risk of loss if the price of the commodity falls.

Mr. President, that is a valuable asset to the farmer. It not only enables him to carry the commodity, but it helps the producer to carry out an orderly marketing program.

All of us who are really diligently and seriously investigating this problem, and have been interested in the problem, know that one of the great burdens on the farmer, so far as financial returns are concerned, is the necessity on the producer of wheat, for instance, of marketing his entire crop within 3 or 4 months' time during the marketing season. Of necessity, that means a dumping program, dumping the commodity on the market, because for immediate needs only a small portion of the crop is required by the millers. The rest of it, generally much more than half, will be needed later in the year.

The farmer has no way of carrying his wheat except through a Government loan. If he does not get a Government loan high enough to provide him sufficient finances to meet his taxes and his pressing financial obligations, he can not avail himself of the loan, he, with the other farmers, has to dump the commodity into the market, and the more that is put into the market the lower the price is pressed down.

There is another advantage. We are now struggling with the great problem confronting the farmers of obtaining sufficient labor to produce crops. That condition will grow worse, as we all know. If we have a respectable loan figure, then the farmer can make his commitments in the matter of labor; he can proceed to the employment of labor at a price, forsooth, which he cannot afford to pay without too much financial risk,

by having a loan level which will enable him at least to meet the labor obligations he is financing.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. McFARLAND. In connection with the labor conditions, let me say that I have in my hand a circular which was sent to me by the Bureau of the Census, Department of Commerce, in Washington. In the circular there is a statement as to the number of bales of cotton ginned in Arizona up to September 16, 1941, and the number ginned up to the same date in 1942. The number of bales ginned up to September 16, 1942, was 5,194, compared with 22,553 in 1941.

Two other States are listed. First, there is Florida, in which State, up to September 16, 1942, 9,501 bales of cotton were ginned, compared with 10,889 in 1941.

In Missouri the condition is somewhat similar to that in Arizona, although not quite so bad. Up to September 16, 1942, there had been ginned in Missouri 41,540 bales, compared with 125,403 up to the same time in 1941.

Of course, those conditions are due to the lack of cotton pickers in the States I have mentioned.

Mr. LANGER. Will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. LANGER. I wish to call the distinguished Senator's attention to certain proceedings which took place on the floor of the Senate on August 4, 1917, during the first World War, which absolutely bear out what the distinguished Senator from Alabama has said.

On page 5801 of the CONGRESSIONAL RECORD for that date, Senator Reed, of Missouri, was speaking, and he made exactly the same argument that has been so ably made by the Senator from Alabama. He objected to a proposition which was pretty much like the one the Senator from Illinois has made. He referred to the attitude of a numerous class of people, and quoted them as saying:

Put the responsibility upon the President, and if there be failure it will be the President's fault.

He objected to it, and then he said:

See what we are up against.

At that time Mr. Hoover was Food Administrator. He issued a statement every few days concerning the price of food and Senator Reed read one of those communications showing what the price of food was on July 22, 1917:

News from London received today, was to the effect that the food controller of Great Britain has been able to modify the order which restricted the use of potatoes to 1 day a week in hotels, restaurants, and clubs. Potatoes may now be served any day in the week instead of on Friday alone.

The new order was issued because supplies of new potatoes are increasing, and also for the reason that their use will help conserve bread. It is intimated that at the meals at which potatoes will be permitted to be used bread may be omitted or will be served in reduced quantities. New potatoes are now selling in London at 8 cents a pound, or \$4.80 a bushel.

Then he proceeded to read the following:

Reports from Budapest, Hungary, reaching here indicate that the population of the provinces have been not far from famine conditions. The majority of the people of these provinces actually live on vegetables, for meat is only for the very rich, and the vegetable supply is seemingly very limited. The country provinces, insofar as possible, have apparently been drained to supply the needs of the Army in the field and the large centers of population where trouble might be feared.

The information received stated that the venders were demanding exorbitant prices for dry wood and withered leaves on the ground that they were vegetables. Green peas were selling at \$1.45 a kilogram.

A kilogram is two and a quarter pounds. That is \$1.45 for two and a quarter pounds of green peas.

Milk was absolutely not to be had for cream. An unappetizing liquid, which was once skimmed milk, cost 60 cents a pint. There was no butter or cheese. Cherries were 86 cents per pound. The principal stock seemed to consist of dried peas and dried plums. Young chickens were selling at \$2.50. In the egg market were found only empty boxes. Potatoes were not to be had.

Conditions as stated by the informant were for June 15. Shortly following that date the authorities sought to arbitrarily fix the price of vegetables at about half the venders were asking.

Now, notice what happened in Hungary.

This resulted in a strike, so that in the great market places no foodstuffs were to be had.

The reports state that lunch cannot be purchased in any restaurant for less than \$5. Three pounds of meat for \$5; olive oil \$10 per quart; butter \$5 per pound.

That is Mr. Hoover speaking. Those are the conditions he found on that date when he was food administrator for the United States, at the time he was asking for a food-control bill.

I suggest that it might be wise for the Committee on Agriculture and Forestry, or whoever is going to have charge of the food situation, to read what Mr. Hoover had to say on that date and on different dates thereafter. It bears out what the Senator said a few moments ago, that if the pending amendment shall be adopted, it will place all responsibility on the President, and God knows he already has enough.

Mr. BANKHEAD. Mr. President, I thank the able Senator from North Dakota for his helpful suggestion.

We are approaching the closing consideration of the pending measure. I have not taken much time of the Senate, notwithstanding my very deep interest in the entire subject. We are about to vote authorization for an increase in industrial wages since January 1, 1941, of 15 percent, a staggering amount of money compared with 5 percent on a few agricultural crops. We are authorizing, in the face of widespread criticism and denunciation of our farmers by publicists, radio commentators and editors, an increase of billions upon billions of dollars to industrial employees. While authorizing that increase we have voted to take away from the farmers a possible average of 15 or 16 percent of their parity, and cutting them down in the main to the level of parity. To one group we are authorizing a tremendous

increase. I am not criticising that. I have not gone into that subject. I am not against the industrial laborer. My heart is with the production worker, whether he is producing in the mines or in the factories or in the fields. But are we looking at this subject rightly? Are we giving the farmers of the country decent treatment? While we are bringing the farmers down on an average 15 percent, we are letting labor go up 15 percent, notwithstanding the tremendous disproportion in the increase in earning power during the last few years between agricultural and factory workers.

Mr. President, I wish to take this occasion to commend the leaders of the agricultural organizations, not only for their loyalty to those whom they represent, for their earnest and active efforts, but for what they did today. When the matter came to a climax today these leaders manifested a most patriotic spirit. I was one closely interested and taking active part in the negotiations which led to the settlement, and I will say that I have never seen a group of men manifest a better and more loyal and patriotic spirit than that entire group which met in the committee room of the Committee on Agriculture and Forestry this morning. They finally with one accord agreed that they wanted the matter settled as best it could be settled, with fairness and justice to the farmer; they wanted friction between the President and Congress eradicated. They wanted to agree to any program that was fair. Although they had won a battle in a yea-and-nay vote on the floor of the Senate, they, in a true spirit of patriotism, wanted to accept any moderate compromise that would bring the contending forces together. Senators know how well that was finally done, how effectively it was done. Senators know that that was not due to any of us on the floor of the Senate, but was due to the leaders of farm organizations who have been here and who are here today carrying on this fight in the interest of agriculture.

We have now before us a little measly matter, compared to increases which have been made in other directions. We have before us the proposal of a 5-percent increase in loan price. Do you not think, Mr. President, that the farmers deserve it, even though the increase were added to the market price of the farmers' products? Do you not think, in the light of all the developments which have taken place, that the farmers are entitled to that little raise? It will represent the only thing the farmers will get out of the joint resolution. It will be the only thing in it of particular value to the farmers. Their ceilings have been withdrawn. The President recommended in his message to Congress, as a consideration for that action, that we put floors under the farm prices. He did not mean the floors we already had. We had floors. It was not necessary to make any reference to what we already had. He was recommending affirmative action.

In the conference I mentioned, which took place this morning and which was attended by the majority leader and by the Senator from Michigan [Mr. Brown]

in charge of the joint resolution, and others, it was stated that the President either had mentioned or had agreed to a loan rate of 90 percent, and I adopted that suggestion, because I thought in doing so I would be going along with the President in the right spirit. I did not anticipate any sort of opposition to that little increase.

Mr. President, that small increase will be of some help to the farmers to finance their current debt if they are not ready to sell their produce. It will help them to to carry cotton so it will not be necessary to dump it on the market and thus drive the prices down. It will help the farmers at a time when buyers are not in the market for their crops, a crop in excess of the ordinary crop, for who is going to buy that excess? It will help the farmers to carry the crop and later sell their cotton at a decent sort of price.

Mr. President, we now have on hand the greatest amount of cotton we have ever had, 24,000,000 bales, whereas the demand is for only about 12,000,000 bales. There are also surpluses in grains. Who is going to buy all those staggering surpluses? If the farmers cannot hold them and must sell, the price will go down greatly. With such a situation existing, speculators, investors, or whatever one may call them, could not buy with any hope of substantial profit. There is very little hope for the market price to go up, with such great quantities on hand, unneeded, and with no demand for them.

So I say, Senators, there ought not to be any caviling about this little item of 5 percent.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. McNARY. I wish to ask the distinguished Senator from Alabama if the language on page 8, in lines 4 and 5, refers to cotton loans only.

Mr. BANKHEAD. Oh, no; there is no mention about cotton loans only. There is nothing in the joint resolution that distinguishes between the basic agricultural commodities. They are all included in it. The amendment is a copy of the 85-percent-loan measure which the Senate passed, as I stated awhile ago, with only two votes against it.

Mr. McNARY. I thought so, but the able Senator from Illinois [Mr. LUCAS] was attacking it on the ground that it provided for 90 percent for cotton only, and 85 percent for wheat.

Mr. BANKHEAD. The Senator from Illinois misunderstood the situation. The Senator from Nebraska [Mr. BUTLER] had offered an amendment to leave the matter up to the President.

Mr. McNARY. Yes.

Mr. BANKHEAD. The measure applies to all commodities exactly alike, the same as the present loan law does.

Mr. McNARY. What then is the necessity for the amendment offered by the Senator from Illinois?

Mr. BANKHEAD. I do not understand it myself. I hope the Senate will vote down his amendment. He wants to leave the matter entirely in the hands of the President. That is what he wants to do with respect to all the commodities,

whereas we want a mandatory loan provision such as we have at the present time. The Senator from Illinois wants to put the burden in the lap of the President, to pick out the commodities he thinks ought to have a loan. That is the Senator's proposition.

Mr. President, in conclusion, I wish to say that I hope very much that the Senate will not take this little provision out of the joint resolution. It represents the only thing of encouragement to the farmer, the only thing of financial help to them, the only thing which will help their morale. Yet we find Senators who wish to take it out of the measure.

Mr. LEE. Mr. President, I thought we had reached an agreement with respect to the joint resolution, but now we find before us an amendment offered by the Senator from Illinois [Mr. LUCAS] which raises a question on which I thought we had agreed.

Mr. President, I rise to oppose the Lucas amendment. The effect of this amendment is to nullify the provision of the resolution which guarantees a price floor to farm commodities at 90 percent of parity. This floor is already well below parity. Therefore, why should we lower it still more? If parity represents a fair price why should we expect the farmer to produce for a price which is 10 percent below a fair price? I do not believe the people of this country want the farmer to feed and clothe them at 10 percent below a fair price. This provision in the joint resolution which the Lucas amendment seeks to change would fix a floor under the price of farm commodities at 90 percent of parity. My idea of a floor is something solid, on which one can stand, not something which goes down every time one steps on it. The amendment of the Senator from Illinois would take up the floor and substitute a net of some kind, or cover the space formerly occupied by the floor with rubber, so that it would not be a floor at all. When a farmer stepped on it he would go down.

This provision in the joint resolution which fixes the floor of farm prices at 90 percent of parity is a little piece of cake for the farmer. He has opened his mouth to receive it; but now after he has opened his mouth and the cake is in it, and he is now ready to close down on it, we are about to snatch it away from him.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. LUCAS. The Senator voted against the Thomas amendment, did he not?

Mr. LEE. I did, because I wanted to make way for an amendment which I thought would be of more help to the farmer.

Mr. LUCAS. According to the arguments made on the floor of the Senate, there was a good deal of cake in the Thomas amendment.

Mr. LEE. In my opinion there was more cake in the Barkley amendment.

Mr. President, I shall vote against the pending amendment. The joint resolution as it stands is acceptable to those

who will have to administer it, and I will not yield to any further whittling down of the farmer's prices.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. LUCAS] to the committee amendment on page 6, line 19.

Mr. TUNNELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Gillette	Overtcn
Andrews	Green	Pepper
Austin	Gufey	Radcliffe
Bailey	Gurney	Reed
Ball	Hatch	Reynolds
Bankhead	Hayden	Rosier
Barbour	Herring	Russell
Barkley	Hill	Schwartz
Bilbo	Holman	Shipstead
Bone	Johnson, Calif.	Smathers
Brewster	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Tunnell
Chandler	McKellar	Tydings
Chavez	McNary	Vandenberg
Clark, Idaho	Maloney	Van Nuys
Clark, Mo.	Maybank	Wagner
Connally	Mead	Wallgren
Danaher	Millikin	Walsh
Davis	Murdock	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	
Gerry	O'Mahoney	

The PRESIDING OFFICER. Ninety-one Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. LUCAS] to the committee amendment on page 6, line 19.

Mr. LUCAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois. [Putting the question.] The "noes" appear to have it.

Mr. VANDENBERG. Mr. President, I ask for the yeas and nays.

Mr. McKELLAR. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. McKELLAR. Does not the request come too late?

Mr. VANDENBERG. The announcement has not yet been made by the Chair, has it?

Mr. McKELLAR. Oh, yes; it has.

Mr. VANDENBERG. I am sorry; the announcement was not made by the Chair.

Mr. McKELLAR. We will leave it to the Chair.

The PRESIDING OFFICER. The Chair did not finish the announcement.

Mr. VANDENBERG. Certainly not. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with

the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Missouri [Mr. TRUMAN] and will vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW], the Senator from Virginia [Mr. BYRD], the Senator from North Carolina [Mr. BAILEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Indiana [Mr. VAN NUYS] and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY], and the Senator from Florida [Mr. PEPPER] are detained in Government departments.

The Senator from Missouri [Mr. TRUMAN] has been called to his State on important public business, and is therefore necessarily absent.

Mr. AUSTIN. The Senator from Oregon [Mr. McNARY] is temporarily detained on business of the Senate.

The result was announced—yeas 31, nays 50, as follows:

YEAS—31

Aiken	Herring	Smathers
Ball	Holman	Taft
Barbour	Johnson, Colo.	Tobey
Bone	La Follette	Vandenberg
Brewster	Lodge	Wallgren
Burton	Lucas	Walsh
Butler	Maloney	White
Danaher	Mead	Wiley
Davis	Norris	Willis
Gerry	Nye	
Gurney	Reed	

NAYS—50

Andrews	Ellender	O'Mahoney
Austin	George	Overton
Bankhead	Green	Radcliffe
Barkley	Hatch	Reynolds
Bilbo	Hayden	Rosier
Brooks	Hill	Russell
Brown	Kilgore	Schwartz
Bunker	Langer	Smith
Capper	Lee	Spencer
Caraway	McCarran	Stewart
Chandler	McFarland	Thomas, Idaho
Chavez	McKellar	Thomas, Okla.
Clark, Idaho	Maybank	Thomas, Utah
Clark, Mo.	Millikin	Tunnell
Connally	Murdock	Tydings
Downey	Murray	Wagner
Doxey	O'Daniel	

NOT VOTING—15

Bailey	Glass	Pepper
Bridges	Guffey	Shipstead
Bulow	Hughes	Truman
Byrd	Johnson, Calif.	Van Nuys
Gillette	McNary	Wheeler

So Mr. LUCAS' amendment to the committee amendment was rejected.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2689. An act to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863 (12 Stat. 798); and

H. R. 7164. An act to amend the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to extend the relief and benefits provided therein to certain persons, to include certain additional proceedings and transactions therein, to provide further relief for persons in military service, to change

certain insurance provisions thereof, and for other purposes.

STABILIZATION OF THE COST OF LIVING

The Senate resumed the consideration of the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks two telegrams relative to the inclusion of farm labor in figuring parity.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

HANSON, MASS., September 28, 1942.
Senator HENRY CABOT LODGE,

Washington, D. C.:

Farm labor seriously short here and increasing in price. Urge you support amendment to include farm labor in figuring parity.

ALFRED G. LUNN,

Halifax, Mass., President, Plymouth County Farm Bureau.

RUSSELL STURTEVANT,

Halifax, President, Plymouth County Poultry Association.

EBEN WOOD,

West Bridgewater, President, Brockton Cooperative Egg Auction.

CLIFFORD CARLSON,

West Bridgewater, President, Plymouth County Agricultural Conservation Association.

HANSON, MASS., September 28, 1942.
Senator HENRY CABOT LODGE,

Washington, D. C.:

For past several days have contacted farmers and farm organization heads of State-wide organizations re inflation bill. You have our recommendations but it was the understanding farmers that President Roosevelt contemplated taking into account rising farm labor. In fact, most farmers were of opinion that parity contained provision for this. Now they know better, they are infuriated to hear current attack on farm organization leaders and farm Congressmen. We urge your support to inclusion of farm labor in parity formula.

CARLETON I. PICKETT,

Hanson, Mass., Chairman, Massachusetts Farm Bureau Committee on Price Relations.

The PRESIDING OFFICER. The question recurs on agreeing to the committee amendment.

Mr. WILEY. Mr. President, I offer an amendment on page 6, after line 18. The amendment is one which has been appended to several other measures. It simply states the law of the land. I send the amendment to the desk and ask that it be stated.

The LEGISLATIVE CLERK. On page 6, after line 18, it is proposed to insert a new paragraph as follows:

Provided, That there shall be no discrimination in the administration of the benefits of the Emergency Price Control Act on account of race, creed, or color and in the membership of rent, price, and rationing boards.

Mr. WILEY. Mr. President, let me state that, while I am not a member of the committee, I was present for several days during the consideration of the now pending joint resolution. At that time I heard the chairman of the committee say that certain considerations would be given. I shall not make an extended statement relative to the amendment. It speaks for itself. We have heard a

great deal about unity and about what should be accomplished by the pending measure. At this time I desire to congratulate those Members of the Senate who thus far have brought about unity by their action relative to the pending measure.

By agreeing to the amendment we should again say to the country that we expect that everyone on every front will be given a square deal.

I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. WILEY].

The amendment was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The CHIEF CLERK. On page 7, after line 19, it is proposed to insert the following new section:

SEC. 9. (a) Section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes," approved July 1, 1941 (U. S. C., 1940 ed., Supp. I, title 15, sec. 713a-8), is amended—

(1) By inserting after the words "so as to support" a comma and the following: "during the continuance of the present war,"

(2) By striking out "85 percent" and inserting in lieu thereof "80 percent."

(3) By inserting after the word "tobacco" a comma and the word "peanuts."

(b) The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such section 4 (a), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a).

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The CHIEF CLERK. On page 8, after line 13, it is proposed to insert the following new section:

SEC. 10. When used in this joint resolution, the terms "wages" and "salaries" shall include additional compensation, on an annual or other basis, paid to employees by their employers for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. NORRIS. Mr. President, I send to the desk the amendment which I offer and ask to have stated.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. On page 2, line 6, it is proposed to insert the following:

Provided, That rates charged by any common carrier or other public utility on September 15, 1942, shall not be increased without the consent of the President: Provided further, That nothing in this section shall be construed as affecting the power or authority of any Federal, State, or municipal authority or agency to reduce prices, rates, or charges subject to its jurisdiction.

Mr. NORRIS. Mr. President, I understand that the Senator from Michigan [Mr. BROWN] is favorable to the amendment and has no objection to it. I have submitted the amendment to him, and I have had several conferences with him regarding it.

Mr. BROWN. Mr. President, will the Senator yield to me so that I may make a brief statement relative to the amendment?

Mr. NORRIS. I yield.

Mr. BROWN. Insofar as the Senator from Michigan is personally concerned, he believes that the amendment offered by the Senator from Nebraska should be agreed to.

Let me say that the matter was covered by language contained in the original joint resolution relative to an over-all type of regulation of public-utility rates. The matter was submitted to the committee, and was stricken from the measure by the committee.

The Senator from Michigan then stated to the committee that if he were in charge of the bill and if the amendment which has just been offered were offered by the Senator from Nebraska, the Senator from Michigan would personally state that he favored the amendment.

Mr. President, I am not speaking for the Committee on Banking and Currency. I am speaking for myself.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. NORRIS].

Mr. GILLETTE. Mr. President, I ask that the amendment be again stated.

The PRESIDING OFFICER. The amendment will be again stated.

The LEGISLATIVE CLERK. On page 2, after line 6, it is proposed to insert the following:

Provided, That rates charged by any common carrier or other public utility on September 15, 1942, shall not be increased without the consent of the President: Provided further, That nothing in this section shall be construed as affecting the power or authority of any Federal, State, or municipal authority or agency to reduce prices, rates, or charges subject to its jurisdiction.

Mr. McKELLAR. Mr. President, I ask the Senator from Nebraska to look at the text in the seventh line of the amendment. I call his attention to the language that—

That this joint resolution shall not be construed as affecting the power or authority of any Federal, State—

And so forth.

Mr. NORRIS. Mr. President, that language was changed by me at the suggestion of the Senator from Michigan. I changed it so as to read—

That nothing in this section shall be construed as affecting the power—

And so forth. Instead of using the term "joint resolution," I use the word "section."

Mr. McKELLAR. That is not what I am referring to. There are many cases in which the question of the equalization of rates has come up before the Interstate Commerce Commission and other authorities. Several such cases are in court. I ask whether the Senator would agree that after the word "reduce" there be inserted the words "or equalize prices and rates."

Mr. NORRIS. I do not see any objection to the Senator's suggestion.

Mr. McKELLAR. I rather think the language would meet any objection which anyone could raise to the amendment.

Mr. NORRIS. Of course, the object is to make certain that nothing in the section shall interfere in any way with the jurisdiction over prices, rates, or charges of any commission, anywhere—State, National, or municipal.

Mr. McKELLAR. The Senator does not say "court" but he provides, in the first proviso, that "rates * * * shall not be increased without the consent of the President."

Mr. NORRIS. Yes.

Mr. McKELLAR. I think that, out of an abundance of caution, after the word "reduce," we might put in the words "or equalize."

Mr. NORRIS. I have no objection to so modifying the amendment.

Mr. McKELLAR. I offer that amendment.

Mr. NORRIS. I will modify my amendment as suggested.

Mr. McKELLAR. That will be entirely satisfactory.

The PRESIDING OFFICER. The Senator from Nebraska modifies his amendment in line with the suggestion of the Senator from Tennessee.

Mr. BONE. Mr. President, may we have the amendment stated with the proposal of the Senator from Tennessee included?

The PRESIDING OFFICER. The amendment, as modified, will be read from the desk.

The LEGISLATIVE CLERK. On page 2, after line 6, it is proposed to insert the following proviso:

Provided, That rates charged by any common carrier or other public utility on September 15, 1942, shall not be increased without the consent of the President: Provided further, That nothing in this section shall be construed as affecting the power or authority of any Federal, State, or municipal authority or agency to reduce or equalize prices, rates, or charges subject to its jurisdiction.

Mr. BONE. Mr. President, may I ask the author of the suggestion what is meant by the word "equalize"? I do not know what the term means. In a somewhat extended experience in such matters I never before heard the word used.

Mr. McKELLAR. The Senator refers to the word "equalize"?

Mr. BONE. Yes; I have never heard that term employed in a power-rate case.

Mr. McKELLAR. I will say to the Senator that there has been a very great desire on the part of many people in his section of the country and mine to have freight rates equalized, and there are now pending before the Interstate Commerce Commission, and, as I recall, one or two in the courts, a number of cases proposing to equalize freight rates. I do not think those cases ought to be interfered with, and I do not think it is the purpose of the proposal to do that. What we want to do is not to permit common carriers and other public utilities to increase their rates. Is not that right?

Mr. BONE. I understand that, but I am saying that, in the experience I have had, which has extended over a great many years, in connection with controversies over rates and rate structures, neither in the power field or the utility field have I ever heard that expression used, and I doubt if any Member of this body can tell exactly what it means.

Mr. McKELLAR. It is used in the case of common carriers.

Mr. BONE. If the amendment is meant to relate to common carriers, in connection with which the word has some specific meaning, that would be one thing, but when applied to public-utility or power rates it is almost without meaning in the vernacular of that business.

Mr. NORRIS. Mr. President, will the Senator from Tennessee permit me to make a suggestion to the Senator from Washington?

Mr. McKELLAR. I yield.

Mr. NORRIS. The amendment suggested by the Senator from Tennessee comes in the second proviso, and that applies to the reduction of rates or charges or equalizing rates, as the amendment is now modified, in cases pending before public-utilities commissions of which they have jurisdiction. Whether it means anything or whether it does not would not be injurious to the amendment, anyway, because it does not take away—and it is not desired to take away—the jurisdiction that any commission may have in a case now pending or which may hereafter arise.

Mr. BONE. Let me say to the Senator from Nebraska and to the Senator from Tennessee that I have no quarrel with the suggestion as applied to common carriers, but I say that it would only serve to confuse in relation to public-utility rates in the utilities and power field, for it has absolutely no meaning at all, legally or otherwise, in its practical operation to those fields.

Mr. McKELLAR. I have known, and I think the Senator must have known, a great many power rates to be unequal. We all know what "equalizing" means; at least I do; and I will be satisfied to have the rates equalized.

Mr. BONE. I think the Senator does not know what it means as applied to the power field. I suggest, if I may, that the reference be to common carriers. If the Senator will accept such a suggestion—and I assume that is what he has in mind because he suggests the equalization of freight rates; and I have no objection to that—I hope that change can be made. I make that suggestion. I

would rather make the suggestion to the author of the amendment than I would to offer it myself, although, if need be, I will offer it.

Mr. McKELLAR. I do not see how it could be applied merely to common carriers.

Mr. BONE. I assure the Senator—and if there is any Senator who wants to say anything to the contrary, I assure him—that it cannot be applied to power rates. There is no such thing as equalization in power rates. If there is a Senator in this body who will rise and point out to me where that theory has ever been applied, I will withdraw the suggestion. There never has been such a theory applied.

Mr. BROWN. Mr. President, may we have the McKellar amendment stated? I do not know what it is.

Mr. McKELLAR. I will be very glad to tell the Senator, if he will just look at the amendment.

Mr. BROWN. The Norris amendment?

Mr. NORRIS. Yes. In line 7, after the word "reduce," I suggested the insertion of the words "or equalize."

Mr. CONNALLY. Mr. President, will the Senator from Michigan yield for a question?

Mr. BROWN. I yield.

Mr. CONNALLY. I do not catch the significance of the amendment of the Senator from Nebraska. In the second clause he intends to preserve the jurisdiction of the regulatory bodies. I have not understood—I may be in error—that the pending measure initially intended to cover utility and railroad rates.

Mr. BROWN. The power to control common-carrier rates and public-utility rates was in the original measure, but it was stricken out by the committee.

Mr. CONNALLY. In the measure we now have before us, it was not intended to cover those subjects. What is the view of the Senator from Michigan as to whether or not the amendment of the Senator from Nebraska will, in its first clause, at least, by inference, give the price-fixing administrator authority over rates. It does not say to whom; it says they shall not be raised without the consent of the President.

Mr. BROWN. The power is in the President.

Mr. CONNALLY. Does not that necessarily imply that it has to go to the O. P. A.?

Mr. BROWN. I think not.

Mr. NORRIS. Mr. President, in the act, the pending joint resolution seeks to amend, there is a provision giving the President wide power, acting through the Price Administrator, to regulate prices. No power was given to him to control utility rates; I suppose on the theory that they were sufficiently governed and controlled by various kinds of commissions. But, nevertheless, the Price Administrator when he commenced operations and began to fix prices soon discovered that when he fixed the price of a commodity going into the cost of living he was powerless to fix public-utility rates because he had not such authority under the law.

He knew, and everyone else must have known, that the utility rates enter di-

rectly into the cost of living. So, starting out with that theory, he appeared before rate-making bodies and, in effect, said, "I have no authority to pass on these rates but I pray that you notice how it will interfere with my work if you increase utility rates. If these rates prevail they will knock the prices I have made on everything entering into the cost of living into a cocked hat." He could do nothing but plead with the utility bodies not to do it, and so far they have not done it. He appeared many times. There has been pending for 2 or 3 weeks, and it has not as yet been settled, an application of the gas company of the District of Columbia.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. CONNALLY. I am not taking issue with the Senator. All I was inquiring about was as to whether or not in the first clause it is intended to keep the rate-making authority in the regulatory bodies, giving the President simply a power.

Mr. NORRIS. The proposal would simply give the President power.

Mr. CONNALLY. That is what I had in mind.

Mr. NORRIS. And he must have such power, Mr. President, if we are going to prevent inflation by fixing prices.

Mr. CONNALLY. I am not in disagreement with the Senator on that theory, but I wanted to have it made clear that it was not proposed to turn the matter over to the O. P. A. and out the jurisdiction of the regulatory bodies.

Mr. NORRIS. No; that is not proposed.

Mr. BONE. Mr. President, let me suggest as an amendment to the proposal now pending that in line 7, after the word "reduce", that the words "or equalize" be stricken out, and that there be added to line 8 the words "or to equalize the rates and charges of common carriers."

Mr. NORRIS. Will that be satisfactory to the Senator from Tennessee?

Mr. McKELLAR. Yes.

Mr. NORRIS. It is satisfactory to me. I modify the amendment in order to accomplish that.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska as modified.

The amendment as modified was agreed to.

Mr. NORRIS. Mr. President, because this amendment will go to conference, and there may be some dispute about it, I desire to place in the RECORD some public documents which have a direct bearing upon it.

I had some correspondence with the Price Administrator in August respecting this subject. I wrote him a letter, and he replied. The letter and the reply were printed in the RECORD of September 10, at page 7344, but in order to have in the RECORD the letter of the Price Administrator in connection with a Federal Trade Commission letter which I shall submit later, I ask that my letter to the Price Administrator and his reply be printed at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AUGUST 11, 1942.

HON. LEON HENDERSON,
Administrator, Office of
Price Administration.

MY DEAR MR. ADMINISTRATOR: I have given some study to the various attempts of the utility companies (gas, telephone, and electric) to increase rates and to make application in the various States to the proper commissions for such increases.

These attempts have increased recently and I understand several States in the Middle West have allowed these increases. In other States applications have been made and are now pending. My recollection is that you participated in some of the hearings on such a petition and, late in June, a release was given by your office in which the public was informed that you had asked to intervene where an application for an increase of electric rates was pending before the Maine Public Utilities Commission at Bangor.

I am of the opinion that these attempts to increase rates have been influenced to some extent at least by the general belief that the pending bill in Congress would increase the taxes on these utility companies. In the Maine case your petition of intervention alleged that, if these rates were increased over the country indiscriminately, the result would be that your work in stabilizing prices would be greatly interfered with and that the result would be the "hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions and scarcities caused by or contributing to the national emergency."

You alleged that such increases made because of the increased Federal taxes "would be contrary to the intention of the Congress, inflationary in character and adversely affect the program and policies of the Office of Price Administration to stabilize prices."

I am interested in this subject because I believe that a general increase in utility rates, where it is not clearly shown that such an increase is necessary in the public interest, would not only be inflationary but would affect the program and policies of your organization and would make it practically impossible for you to stabilize prices.

The purpose of this letter is to ascertain, if possible, to what extent applications for such increases are coming in from over the country generally and, if they are coming in, what you are doing about the matter, and what you are able to do to prevent such increases.

It seems to me this subject is very important at this time because of the pending tax bill before the Finance Committee of the Senate. It is very possible that some legislation on this subject should be included in this proposal before it is enacted into law.

Your early reply will be appreciated.

Very truly yours,

G. W. NORRIS.

OFFICE OF PRICE ADMINISTRATION

Washington, D. C., August 19, 1942.

HON. GEORGE W. NORRIS,
United States Senate, Washington.

DEAR SENATOR NORRIS: I was greatly interested in your letter of August 11 on the problem of utility rates and the program of this office and the National Government to stabilize commodity prices and the cost of living. The problem has been given special attention by this office in recent weeks and I shall be happy to supply you with information about our activities in that field and "to aid you in ascertaining to what extent applications for such increases are coming in from over the country generally and, if they are coming in, what we are doing about the matter, and

what we are able to do to prevent such increases."

As you know, the Emergency Price Control Act exempts utilities and common-carrier rates and we are without power to fix such rates and charges. Nevertheless, we have deemed it necessary to participate in rate regulatory proceedings in our effort, not altogether unsuccessful thus far, to prevent increases in conflict with our basic program.

Let me refer briefly to some of the specific cases and problems we have recently encountered in this field. In April our attention was called to the 15-percent increase in telephone rates made by the Northwestern Bell Telephone Co. in the State of Iowa. This increase, termed a surcharge by the company, was imposed on nearly all exchange and intra-State toll service. No regulatory agency whose permission must be first obtained for such rate increase in Iowa is provided for by the laws of that State. After obtaining the technical assistance of the Federal Communications Commission, we called the company in conference and requested it to withdraw this increase as it appeared that the higher rates were imposed in large part to offset estimated higher Federal income taxes. The company agreed to this request and subsequently withdrew a request for a rate increase of about the same character pending before the North Dakota commission, although it had earlier obtained the approval of the South Dakota commission for a similar increase in rates.

We are attempting to keep a close watch over other telephone-rate increase applications in various parts of the country. The American Telephone & Telegraph Co., has furnished us with a list of all such applications which have been made by its associated companies. I am glad to say that there are now relatively few such applications pending.

A somewhat more difficult problem with respect to telephone rates is presented in connection with the rates charged by the independent telephone companies because of their large number. We recently met with the executive committee of the United States Independent Telephone Association and explained our program to them. To the extent of our ability, we propose to scrutinize their requests for increases and participate in as many cases as possible.

Because of your lifelong effort to protect the public in their relations with the electric light and power industry, you may be especially interested in our work in the electric-rate field. It is true, as you suggest, we filed a petition for intervention in the Bangor Hydro-Electric rate case before the Maine Public Utility Commission. There, too, it appeared that the increase requested was because of projected higher Federal income taxes. Moreover, we were advised by certain paper companies, customers of the electric company, that if the power rate increase was approved, they would seek to have our maximum prices on paper and pulp increased. While conferences were pending with respect to the date of hearing, the company withdrew its application for an increase.

At the request of the Rural Electrification Administration, we participated in conferences with respect to a proposed increase in rates for electric energy sold by an electric company to a rural cooperative. Subsequently the company withdrew its request for higher rates.

Among other power-rate cases now receiving our attention is the Niagara Falls Power Co. case before the New York Public Service Commission. In another, the Pennsylvania Power & Light Co. is seeking increases before the Pennsylvania Public Utilities Commission applicable to its commercial and in-

dustrial customers. We will probably seek to intervene in this case also.

Our survey of pending electric rate cases does not now indicate a large number of applications for rate increases. However, there is now an upward trend in the number of requests for rate increases before the State commissions which seems to be due primarily to efforts to shift war taxes upon the utilities to their consumers.

The gas rate problem appears to be more troublesome at this time. Among the cities where increases have recently been made or now pending are Boston, Philadelphia, Cleveland, Minneapolis, and Washington, D. C. We are now or will oppose most of these increases, particularly because they adversely affect the cost of living of practically the entire population of those cities.

The relationship of taxes to utility rates is extremely important in devising and administering a proper program to control prices and the cost of living. In peacetime the principle that a utility is entitled to a fair return after allowance of all Federal income tax has been generally accepted. As an essential war measure, however, we propose to oppose the application of this principle to any request which would contemplate an increase in rates predicated upon the allowance of anything over and above the normal Federal income tax. Higher rates predicated upon increased Federal taxes would obviously be contrary to the intention of Congress, be inflationary in character, and adversely affect our program to prevent further increases in the cost of living.

In our work in this field we have sought to cooperate with the existing regulatory agencies. Both the Federal Power and the Communications Commissions have gladly made available the advice and help of their technical experts.

I am glad to state that our right to intervene and participate seems to be readily conceded in these cases before the Federal and State utility commissions. However, one commission, that in the State of Illinois, has not yet acted upon our request for intervention. This is a proceeding involving street-car fares in the city of Chicago. Of course, we have no desire to interfere with the efforts of the State or Federal commissions under their respective statutes to reduce rates whenever found necessary.

In seeking to cooperate with the existing regulatory agencies in the utility and railroad rate fields, we are proceeding in the belief that when Congress exempted these rates from our jurisdiction it was implied that these commissions would recognize that the dominant principle governing the fixing of all prices in wartime would be the Government's program to stabilize commodity prices and the cost of living and that the utility and railroad rate principles must be reexamined in the light of the Government's economic program, on the success of which depends both the winning of the war and the peace. Their recognition of this obligation will be an important step in the success of the Government's program to prevent further increases in the cost of living.

Therefore, while I hope there will be no need for additional legislation in this field, serious consideration must be given to the practice in Canada, where the consent of the price board, which administers an over-all program, as well as that of the existing regulatory authorities is a prerequisite to utility rate increases. Certainly it should be understood without additional legislation that Federal income taxes shall be borne by those upon whom such taxes should be levied. A different policy would seriously impair, if not destroy, the basic efforts of the Government to stop inflation.

We appreciate very much your interest in this phase of our work. If we can furnish you with additional data or information on it, please do not hesitate to call upon us. Sincerely yours,

LEON HENDERSON,
Administrator.

Mr. NORRIS. Later, as will be found from the correspondence I had with the Price Administrator, in an action before the Public Utilities Commission of the District of Columbia, where there was pending an application of the gas company for an increased rate, the question was discussed as to whether they should increase the rate, and whether they should allow the Administrator to appear. He had no legal right, he conceded, but he wanted an opportunity to show how it would spoil everything he had done in the way of fixing prices in the District of Columbia if the rate should be raised, because the costs of gas, telephone, water, and electricity all directly affect the cost of living.

I thought I would write to the Federal Trade Commission and get their views upon the matter, so I addressed them a letter, and I ask unanimous consent that it be inserted in the RECORD at this point, together with the reply from the Federal Trade Commission.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SEPTEMBER 14, 1942.

HON. W. A. AYRES,

Chairman, Federal Trade Commission.

MY DEAR MR. CHAIRMAN: I am very much worried about the situation which has been brought about in the District of Columbia wherein the Washington Gas Light Co. has made application to the Utilities Commission of the District for an increase of gas rates in the District of Columbia.

I had some correspondence with Hon. Leon Henderson, the Price Administrator, in regard to the increase of utility rates over the country, because I could see that the increase in these rates would center at once into the cost of living of all the consumers involved in the rate increase. It seemed to me to be perfectly plain that, where Mr. Henderson had, in compliance with the law setting up his office, fixed prices of everything going into the cost of living, all of his work might be nullified and destroyed if utility commissions over the country were allowed to increase utility rates. A copy of my letter to Mr. Henderson and his reply are printed in the CONGRESSIONAL RECORD of September 10.

I am wondering if I am asking too much of your Commission to read this correspondence and when you have done so if you would let me know what you think of the proceedings now pending for an increase of gas rates in the District of Columbia. Your Commission has had so much experience with public-utility rates and the subject matter in general that your opinion would be valued very highly by the country, and I know it would be by me. I trust, therefore, that you will give me your opinion in the matter. Your early reply will be greatly appreciated.

Very truly yours,

G. W. NORRIS.

FEDERAL TRADE COMMISSION,
Washington, September 15, 1942.

HON. GEORGE W. NORRIS,

Senate Office Building, Washington, D. C.

MY DEAR SENATOR NORRIS: This will acknowledge receipt of your letter of September

14, 1942, with reference to utility rates, in which you refer to correspondence which you recently had with the Honorable Leon Henderson, Price Administrator.

As you know, some years ago this Commission completed an exhaustive inquiry into the financial structure and accounting practices of electric and gas utilities, and that the Commission found that utilities generally had used every device to obtain padded costs and inflated rate bases upon which utility commissions should allow them a given percent of profit. One of the companies covered was the Washington Gas Light Co. which is now seeking an increase in rates. The Commission has furnished the Honorable Leon Henderson with a copy of the report on that company so that his office may be familiar with the financial background of that company. The report on Washington Gas Light Co. is printed in the public record in Senate Document 92, Seventieth Congress, first session. Unfortunately, the Commission's inquiry ended with the year 1934.

The Commission has not had an opportunity of examining the record in the present rate hearing, but it appears that one of the accounting practices which the company is attempting to influence the local Public Utilities Commission to permit is to include its income and excess-profit taxes as a component part of the total cost over and above which it is to be permitted to earn a net income of 6½ percent on its rate base, and to charge gas rates for the coming year that will accomplish that result. It appears from the letter of the Honorable Leon Henderson, referred to in your letter, that this is still a widespread practice for, in referring to the Maine case, Mr. Henderson wrote, in part, that it appeared that the increase requested was because of "projected higher Federal income taxes."

If the Washington Gas Light Co. were permitted to charge such rates and to earn such a clear profit above all taxes, other public utility companies operating in the District, such as the Capital Transit Co. and the Potomac Electric Power Co., would naturally expect like treatment. The effect would be to permit these utility companies to charge the public rates that would guarantee their stockholders on the agreed-upon rate base a clear profit of at least 6½ percent over and above all operating costs and income taxes no matter how high the rates of income taxes may be. Of course it is obvious that no other business domiciled, or operating, in the District of Columbia can guarantee their stockholders clear profits at any such rates.

Furthermore, particularly if the income taxes so included in costs are those paid during the operating year on the preceding year's income, the practice would set up a vicious spiral. The greater the amount of income taxes paid, the higher would have to be the rates of charge in order to afford a gross income that would leave a clear profit in sufficient amount, and the greater would be the current taxable net income; the greater the taxable net income of the current year, the greater would be the amount of income taxes payable in the next year, over and above which the Washington Gas Light Co. would be permitted to earn a clear profit of 6½ percent on its rate base. Naturally higher rates would have to be charged in order to produce a gross income of sufficient magnitude to leave a clear profit of such an amount.

The effect of such a practice, if permitted, would be to put the public utility companies into a preferred class and to permit their stockholders to escape their fair share of the burdens of war taxation. This burden would be shifted on to the consumers of their services who would be required to bear not only their own proper burdens of war taxation but those of the public utility companies as well. In other words, if allowed, the utility company would be guaranteed 6½ percent on

the agreed upon rate base free of any war burden.

The consistent practice of the Federal Trade Commission has been to treat income taxes, not as operating costs or costs of products (which costs are incurred before there is a gross income from the sale of the services or products and may conceivably not be recovered in their entirety), but as shares of net income that are paid to government after that net income has been earned and realized and after all risk of loss has been resolved.

Inasmuch as one of the purposes for which the Federal Trade Commission was created was to protect the consumer, it seems it appropriate to call the inflationary character of the above practice to your attention. A study of the record in the present Washington Gas Light Co. hearing might disclose the fact that an attempt is being made to include other items of a questionable character in cost.

By direction of the Commission.

Sincerely yours,

W. A. AYRES,
Chairman.

Mr. NORRIS. Mr. President, I noticed in the public press a few days ago that this question was before the Federal Power Commission also. Incidentally, there are a great many applications for reduction of rates, and some for increases of rates, now pending. The Federal Power Commission decided the case of the city of Detroit and the county of Wayne, Mich., against the Pan Handle Eastern Pipe Line Co. and the Michigan Gas Transmission Corporation, docket No. G-200, and in the matter of the Panhandle Eastern Pipe Line Co., Michigan Gas Transmission Corporation, and the Illinois Natural Gas Co., docket No. G-207.

The Federal Power Commission rendered an official opinion a day or so ago which is exceedingly interesting, and some of it bears directly upon the question before us. I ask unanimous consent to insert that part of its opinion which I have marked, beginning on page 31 and ending on page 34. I think these various matters should be in the Record so that those who discuss the question in conference may have the benefit of the particular things I have inserted.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska?

There being no objection, the matter was ordered to be printed in the Record, as follows:

TAX INCREASES DUE TO THE WAR EFFORT

While we have arrived at certain definite conclusions in disposing of the motions for an interim order reducing rates herein, the tax problem posed by legislation pending in the Congress makes it imperative that we make further comment on this subject.

We take judicial notice of the fact that our country is waging a war for survival. It is common knowledge that there will be increased tax burdens resulting from the requirements inherent in a global conflict. Business as usual is out—in fact, a great many so-called small enterprises have ceased to exist. Normal business during this period of grave emergency is at an end. Obviously, no one can expect to maintain a status or condition of business unaffected by the holocaust now sweeping the world. Increased tax burdens must be borne by the utility which enjoys a monopolistic position in the economic field, as well as by others who have no such advantage.

Proposals now pending in Congress to raise additional taxes are required to defray in part greatly increased expenditures resulting from the war effort. In this regard the report of the House Committee on Ways and Means,¹ considering the proposed revenue bill of 1942, after first pointing out that the cost of the war effort is placing upon the Nation a financial burden unequalled in our history, states:

"It is thus apparent that our revenue needs are extreme and your committee have endeavored to secure every dollar of additional revenue which, in its opinion, the national economy can bear. In its effort toward this objective, however, care has been exercised in every instance not to place an unbearable burden upon any taxpayer."

Moreover, the President in his message to Congress July 30, 1941, requesting enactment of legislation for control of prices, stated:

"Inflationary price rises and increases in the cost of living are today threatening to undermine our defense effort."

Thus it appears that the doctrine of unjust enrichment as well as equity and good conscience compel the conclusion that a utility should not be permitted to thwart the purpose and spirit of the war price control legislation and the revenue laws by passing such abnormal tax requirements along to its consumers as an operating expense to be collected in increased rates. Indeed, we feel increased rates on such a basis would be unjustifiable. To allow them would in effect impose upon the consumers a sales tax.

So that there may be no confusion concerning the tax situation in connection with the companies subject to our jurisdiction, where necessary to stabilize utility rates at reasonable levels during the war emergency period, we propose to allow as proper operating expenses only such taxes as may be termed ordinary or normal. For the purpose of distinguishing between ordinary or normal and war emergency or abnormal taxes, we conclude that the basis prescribed in the 1940 Revenue Act establishes the highest possible level of Federal taxes which may be allowed as an element of operating expense for such purpose. The 1941 Revenue Act and the pending 1942 proposal certainly reflect abnormal tax requirements for war purposes.

The conclusions we here express find validity in utterances of other regulatory bodies who were confronted with the problem of abnormal tax requirements in dealing with the utility industry as a result of the first World War.² Furthermore, the Public Service Commission of Wisconsin, on May 5, 1942, disapproved the application of the Wisconsin Telephone Co. for authority to revise the base rate area and the rates at its Madison exchange, a proposal estimated to increase the cost of telephone service to the subscribers in that area \$290,000 annually. In its opinion denying such request the Wisconsin commission made this significant comment:

"We do not look with favor upon proposals to increase utility rates in these times * * * rates should not be increased solely because the management may consider that its return is less than it is entitled to ask in normal times."

Moreover, it is evident that Congress intended when it enacted the Emergency Price Control Act of 1942, that during the prosecution of the present war, this commission, in carrying out its regulatory responsibilities, should make every reasonable effort to assist in making effective the national policy of price stabilization. In this regard we will be alert to the necessity for checking unwarranted increases in utility rates which, if

¹ Report No. 2333, 77th Cong., 2d sess., July 14, 1942.

² See *Re Western States Gas & Electric Co.*, PUR 1919B, 485, 493; *Re United Fuel Gas Co.*, PUR 1920C, 583, 606.

permitted, will contribute to the disruptive inflationary process now threatening to destroy our economy.

CONCLUSION

We conclude from the record that the present rates and charges of the respondents are unjust, unreasonable, unlawful, and violative of the provisions of the Natural Gas Act. Therefore, until further order of this commission, we determine for purposes of disposing of the motions before us that the just and reasonable rates, charges, classifications, rules, regulations, practices, or contracts to be hereafter observed by the respondents and fixed by order of this commission shall reflect an immediate reduction of at least \$5,094,384 below those in effect during the year 1941.

Mr. GILLETTE. Mr. President, I desire to call up an amendment which I have sent to the desk, and which I ask to have read for the information of the Senate.

The PRESIDING OFFICER. The clerk will read the amendment.

The CHIEF CLERK. On page 2, line 16, it is proposed to strike out "of sections 3 (a) and 3 (c)."

The PRESIDING OFFICER. Without objection, the vote by which the committee amendment was agreed to will be reconsidered in order to permit the Senator from Iowa to offer an amendment to the amendment.

Mr. GILLETTE. Mr. President, on page 2, line 12, it is proposed to strike out the words:

The President may suspend the provisions of law relating to the establishment or maintenance of prices, wages, or salaries which are inconsistent with the purposes of this joint resolution.

The committee reporting the measure evidently thought that provision was too sweeping, and I agree with them. They offered an amendment which the Senate adopted a few days ago, and which is now before the Senate on reconsideration, in which they used the following language:

The President may suspend the provisions of sections 3 (a) and 3 (c) of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this joint resolution, but he may not under the authority of this joint resolution suspend any other law or part thereof.

Mr. President, I make no pretense of being a lawyer. I am a farmer—a dirt farmer. However, I believe that any lawyer will agree that if the proposed amendment were not in the pending joint resolution any provisions of it inconsistent with existing labor laws might be held by the courts to be controlling. However, the committee in its wisdom made special provision in the measure by providing that the President may suspend sections 3 (a) and 3 (c) of the Price Control Act but may not suspend any other law or part of a law that is inconsistent with the purposes of the joint resolution.

The Price Control Act—which is the law at the present time, and which, of course, contains sections 3 (a) and 3 (c), which are the sections applying to agriculture and which have caused so much controversy—clothed the Price Administrator with certain large powers to con-

trol by regulation and order such maximum price or prices as will in his judgment be fair and equitable and will effectuate the purposes of the act. But I invite attention, Mr. President, to page 5, subsection (h), of the Price Control Act, in which there has been placed the following limitation:

The powers granted in this section—

That is, to the Administrator—

shall not be used or made to operate to compel changes in business practices, cost practices or methods, or means or aids to distribution, established in any industry, except to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this act.

Again, in subsection (c) of section 302, where there appears a definition of "commodity" under the Price Control Act, the Administrator was authorized to fix a ceiling on any commodity, but in the definition of "commodity" there was the following limitation:

The term "commodity" means commodities, articles, products, and so forth: *Provided*, That nothing in this act shall be construed to authorize the regulation of (1) compensation paid by an employer to any of his employees.

Under the pending measure authorizing the President to stabilize wages and providing that he may suspend certain provisions of the Emergency Price Control Act of 1942, but that he may not suspend any other law or part of a law, he runs squarely up against that limitation of the Price Control Act that he cannot stabilize with reference to compensation paid by an employer to any of his employees—

or, (2) rates charged by any common carrier or any other public utility, or (3) rates charged by any person engaged in the business of selling or underwriting insurance, or (4) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio broadcasting station.

The law from which I have just quoted prohibits the Administrator from adopting any price ceiling or issuing any regulation with reference to price ceilings which interferes with those specific matters.

To clinch it, the committee, in its wisdom, did not merely repeal or strike out of the original joint resolution the authority to suspend any law—and as I have said, I think that was quite proper—but they inserted a provision in the pending joint resolution that the President may suspend section 3 (a) and 3 (c) and that he may not suspend any other law or part thereof.

Mr. BROWN. Will the Senator yield?

Mr. GILLETTE. I yield.

Mr. BROWN. The Senator from Iowa called my attention to this point a few days ago. I would not feel it to be wise to go as far as he does in his amendment, but there is a clear inconsistency, as he points out, between the provisions of section 302 of the Price Control Act and section 2, as well as possibly section 1, of the pending joint resolution.

I therefore ask the Senator if we could not settle this question by authorizing the suspension of the only provisions of the law which, in my opinion effect

this inconsistency, by inserting on page 2, line 16, after "3 (c)" in lieu of the words the Senator uses, the words—

Clauses 1 and 2 of section 302 (c).

Mr. President, I will say to the Members of the Senate that that would clear up a patent inconsistency. I do not believe that those who represent both the agricultural viewpoint and other viewpoints in this measure would want a general power in the President to suspend. The senior Senator from Connecticut [Mr. MALONEY], the junior Senator from Connecticut [Mr. DANAHER], and the Senator from Ohio [Mr. TAFT], and other members of the committee, were very insistent upon that provision. I will say to the Senator from Iowa that the language in question will cover what he has in mind, and, I am satisfied, will accomplish the objective he has in mind. I ask him if he will not accept that as a substitute for his amendment?

Mr. GILLETTE. Mr. President, I thank the Senator from Michigan. The amendment which I have offered and which is now pending would simply authorize the President to suspend any provisions of the present Price Control Act relating to the establishment or maintenance of prices, wages, or salaries which are inconsistent with the purposes of the pending joint resolution, and no others. I am aware that there are certain provisions in the Price Control Act relative to marketing agreements which might well be exempted, and in view of the correction which the Senator from Michigan has suggested—while it does not go as far as I think it should go—I will withdraw my amendment and ask him to present his amendment.

Mr. BROWN. I ask that the amendment I proposed be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 16, after "3 (c)", it is proposed to insert "clauses 1 and 2 of section 302 (c)."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan [Mr. BROWN] to the committee amendment on page 2, line 16.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. Without objection, the committee amendment, as amended, is agreed to.

Mr. BROWN. Mr. President, the Senator from Georgia [Mr. GEORGE] has an amendment which I think clarifies somewhat cloudy language in the joint resolution. I should like to have that amendment disposed of.

Mr. GEORGE. Mr. President, the amendment was discussed on the floor of the Senate on the opening day of the debate. The purpose of the amendment is to avoid any possible conflict in the meaning of the joint resolution. I send it to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 4, line 2, after the word "inequities", it is proposed to insert a semicolon and the following: "but nothing in this section shall be construed to permit the establishment in any

case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section."

Mr. GEORGE. Mr. President, the whole purpose of the amendment is to make sure that in fixing a maximum price which might subsequently be affected by an order made by the President or the agency administering the act, the maximum price shall not be reduced below the so-called parity price. As I understand, that is agreeable to the Senator in charge of the bill.

Mr. BROWN. The Senator from Georgia is correct. The purpose the committee had in mind is fully carried out and expressed by the amendment offered by the Senator from Georgia, and I should like to see it adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. GEORGE] on page 4, line 2.

The amendment was agreed to.

Mr. TUNNELL. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 6, after line 18, it is proposed to insert the following new subsection:

(d) In the administration of the provisions of the Emergency Price Control Act of 1942 and this joint resolution, and in selection of persons to serve on rent, price, and rationing boards of the Office of Price Administration, there shall be no discrimination on account of race, creed, or color.

Mr. TUNNELL. Mr. President, I understand there will be no objection to the amendment on the part of the committee.

Mr. BROWN. Mr. President, the amendment merely carries out the expression in the Constitution of the United States, and I have no objection to it. It does justice to a very large part of our population. They are fighting at the front and entitled to the rights and privileges of all American citizens. Edgar G. Brown, director of the National Negro Council, representing 4,000,000 of our colored citizens, strongly urges this particular amendment prohibiting discrimination, and he feels it will greatly enhance the morale and unity of all our citizens.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Delaware [Mr. TUNNELL].

The amendment was rejected.

Mr. DOWNEY. Mr. President, I have an amendment at the desk which I should like to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 4, line 14, after "Sec. 4.", it is proposed to insert "(a)."

On page 5, after line 6, it is proposed to insert the following new subsection:

(b) Nothing in this joint resolution shall prohibit the payment by any employer, or the acceptance by any employee, of (1) any wages or salaries provided for in any contract entered into in good faith in the ordinary course of business prior to September 15, 1942, or (2) any wages or salaries provided for by the terms of any option, renewal, or extension provision contained in such con-

tract; except that adjustments may be made by the President with respect to any such wages or salaries to the same extent that adjustments may be made by him with respect to wages and salaries in other cases under this joint resolution.

Mr. BROWN. Mr. President, as I understand the amendment proposed by the Senator from California it covers this sort of situation: Where contracts have been entered into prior to the passage of the joint resolution which permit of regular raises of salaries, wages, or compensations of various kinds, those contracts having been partly performed, there should be no power given in the joint resolution to change the terms of agreements of that nature.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. DANAHER. I do not have the language of the amendment before me, and I did my best to follow it as it was read at the desk. Let us suppose the case of a moving-picture producer who had a stated, fixed, weekly sum coming to him in accordance with a contract, with an additional and stipulated proposed increase to come at stated intervals, and suppose that salary aggregated the sum of, say, \$600,000 a year. There have been newspaper reports in the last 10 days of salaries aggregating approximately that amount, and inuring in favor of some moving-picture producers. Suppose the President should find that such a salary is a gross inequity, would he, under the provisions of section 1, be permitted to reduce the salary to a point where it would be only \$25,000 a year, after taxes?

Mr. BROWN. Yes, I think he could under the terms of the amendment, if it should be adopted, and under the joint resolution. There is no intention on my part, nor is there any intention, I think, on the part of the Senator from California, to break down the "gross inequities" provision of the joint resolution. The idea is that where contracts are entered into providing for regular increases in pay, as many contracts are, unless such arrangement is grossly inequitable, unjust, and unfair, it shall not be interfered with by the provisions of the joint resolution.

Mr. DANAHER. Mr. President, will the Senator from California yield further?

Mr. DOWNEY. Yes.

Mr. DANAHER. Will the Senator from Michigan please tell us, in the light of his explanation, what is the purpose of section 10 of the measure?

Mr. BROWN. Section 10 relates to salaries on an annual basis.

Mr. DANAHER. Annual "or other basis," is it not, I will ask the Senator?

Mr. BROWN. My idea is that when wages and salaries are on an annual basis, bonuses and compensations in the nature of Christmas gifts which are commonly and regularly given should be included. It happens that under the provisions of the joint resolution we use the period from January 1 to September 15 as the basis for calculating salaries. But in a great many cases larger compensation is paid in the last month of the year,

where there is profit-sharing arrangements or division between employer and employee. Representative RICH, of Pennsylvania, called my attention to a situation in his own plant, where approximately 25 percent of the total compensation of some of his employees is paid as a profit sharing in the month of December. Unless we had section 10 in the joint resolution that kind of an arrangement would not be covered, and compensation would be based upon the rate between January and September of each year. So the committee thought that section 10 would cover that kind of a situation. It does not seem to me that we ought to interfere, except in a case of gross inequity, with existing contracts which provide for regular increases, when the contracts are now in existence. I believe the amendment of the Senator from California is a reasonable and fair one, and should cover that situation.

Mr. DANAHER. Mr. President, will the Senator from California yield for a further question?

Mr. DOWNEY. Certainly.

Mr. DANAHER. Is it the purpose of the Senator from California not merely to stabilize such contracts, but actually to guarantee by law that contracts which provide for additional increases from time to time shall be protected under the proposed amendment?

Mr. DOWNEY. No, Mr. President. There is to be no guaranty that a man shall continue in the employ of an employer merely because his contract fixes a sliding scale. Let me say to the distinguished Senator from Connecticut that I understand that there are two principal classes which would be affected by this amendment. One is the representatives of the press. I understand that under the Guild contract, when a person goes to work for a newspaper, a written contract is entered into under which, at regular intervals—perhaps every 6 months or every year—there may be some increase in compensation.

A similar situation exists in the motion-picture industry. A young girl may go to work at \$25 a week, with the understanding that if she makes good she will receive \$50 a week for the second year, and perhaps \$100 a week for the third year, and so forth. The amendment would protect persons who have written contracts of employment or contracts in which there are options of renewal at an increased salary. It would reserve to the President the power to cut across any such contracts and set them aside if he should deem them inequitable.

Mr. DANAHER. I thank the Senator from California. His explanation satisfies me.

Mr. BALL. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. BALL. It occurs to me that the principle of the Senator's amendment is slightly contrary to the request which the President made of the Shipbuilding Stabilization Committee. A contract was negotiated a year ago last spring, I believe, which provided for increases proportionate to the increase in the cost of living. When that contract came up for renewal last spring

the President specifically requested the employees to forego a part of that increase, and I believe they did so. I do not quite see the reason for protecting particular groups, which have been foresighted enough to provide for annual increases in salary, and which probably need the increases far less than do others.

Mr. DOWNEY. Before I had this amendment drafted, I conferred with the legal representatives of the Office of Price Administration. They stated to me exactly the condition which the Senator from Minnesota has suggested. Contracts were written for the shipyard workers under which their wages were to be increased in accordance with the increased cost of living. It was at least indicated to me that both the shipyard workers and the President would consider inequitable, or not consistent with the proper prosecution of the war, any kind of a contract which would increase wages in accordance with the increased cost of living. Hence, at the suggestion of the representatives of the Office of Price Administration, we included in this amendment the power of the President to cut across such options and contracts if he should so desire.

I appeal to the sense of fairness of the Senator from Minnesota. If a young, inexperienced reporter starts to work for bread-and-butter money and becomes more valuable with experience, he should be allowed to work under the terms of a written contract such as I have described. A young girl may struggle along for several years for almost no wages. If her contract calls for some reward, if she is successful, she should have the reward. Under this amendment the President would retain the power to cut across any such contract and to prevent inflation at any point he desired.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. GEORGE. The Senator from California is correct in saying that the President may cut across such contracts. However, this is an anti-inflation measure, expressly designed to limit the prices of agricultural products, or to give the President such authority, and to fix wages. The amendment of the Senator would be an express declaration, in an anti-inflation measure, in favor of protecting contracts for increases in wages. It is utterly inconsistent with the objective of the pending measure.

Let me say to the Senator from California that his purpose is a good one. Ordinarily, of course, we allow everyone to get all the increased wages he can get. It is a sound public policy to allow everyone to advance as fast as he may be able to advance, and to increase his earnings. But we are now directly doing the other thing. We are saying that wages and farm prices shall not be increased, except under the rigid conditions which we are putting in an anti-inflation measure.

The amendment would expressly approve contracts for increases in wages, without any regard to the terms and conditions of the anti-inflation measure. Such increases would depend upon a loose

contract, which might be oral. The contract would not even have to be written.

If we should adopt such an amendment every group of organized workers in the country would take advantage of it tomorrow. If we mean to stop the increase in the cost of living by fixing a ceiling on farm products and limiting wages, we certainly do not want this amendment in the joint resolution. It may be offered for the best purpose in the world. I should like to increase the wages of persons working with me; but if it is necessary to give the President this extraordinary power to stop rises in wages, it ought to apply to one man's wage as well as to that of another. The fact that there may be a prior contract to permit such increases does not make any difference.

Suppose I should go into the market tomorrow—which I might do in all good faith and with perfect honesty—and say, "I have contracted to sell my cotton this year for a given price, above the ceiling price which the President is bound to fix on cotton as a farm product." Would I be permitted that privilege merely because I had a contract? The whole theory is utterly inconsistent with any effort to control living costs and the prevent the spiraling of costs and the crucifixion of the American people by rapidly rising prices.

The amendment of the Senator from California would not require a written contract. It would not even require a contract which has been witnessed. Any kind of a loose oral agreement might be used as the basis for an increase in wages and salaries. Any kind of loose oral renewal of an option or extension of a contract provision dealing with wages might be used as the basis for an increase in wages.

I beg the Senator not to insist upon his amendment, because with his amendment in the joint resolution precisely what so many who are engaged in agriculture fear would be easily possible. While farm prices are to be regulated, there is a doubt as to whether the agency selected will actually deal with wages in the same fearless and impartial way.

Everyone knows that the rising cost of living in this country has not been due in the first instance to an increase in farm prices. The genesis of this inflation is to be found in the rapid employment of a large number of workers and in the rapid rise of factory wages, without a single step being taken by the Government to regulate or effectively stabilize such wages. In response to that movement, of course, farm prices entered the picture. They began to rise. Now the farmers, after this long fight, in which the Senator himself has participated, have, by agreement reached today, accepted in good faith the authority to have their prices sealed with a certainty which can leave little doubt.

Some worthy people claim that they have contracts of employment under which their wages will be increased as profits of employers increase. Such a contract may be perfectly fair. It may be entirely just; but we are attempting to do the extraordinary thing of stopping

a free enterprise system in its tracks and saying, "You must not advance the cost of living in this country; you must not increase the cost of farm products; and you must not increase wages, unless under the very terms of the charter which the President has given he sees that there are certain inequities and certain things which must be done."

The existence of a prior contract ought not to be the basis on which to abrogate the law which we are trying to enact today. If we adopt this amendment, it is my judgment that we will rue the day, because it will be the excuse for innumerable cases of fraud. It will be the basis on which large groups of employees will say, with the willing acquiescence of employers, who need labor, "Yes; there was a contract. We entered into some sort of a contract, and agreed to the renewal of that contract." The result will be, in my judgment, that what we are trying to do will be very largely upset. I hope the Senator from California will not urge the amendment.

Mr. DOWNEY. Mr. President, while I am always greatly persuaded by the eloquent reasoning of the distinguished Senator from Georgia, of course, I have to urge the amendment because I consider it to be fair and just. It was perfected only after consultation with the representatives of the Office of Price Administration, with the sponsor of the bill, the distinguished Senator from Michigan [Mr. BROWN], and with the distinguished majority leader, the Senator from Kentucky [Mr. BARKLEY], who is about to ask me to yield, and to whom I now yield.

Mr. BARKLEY. Mr. President, I desire to ask the Senator a question about the amendment. What is the necessity for it, even to correct the situation which the Senator has in mind?

Let me state the premise upon which I base my question. By the pending joint resolution we are attempting to stabilize wages as nearly as practicable as of September 15, 1942. There would be no reductions below that general level except in cases of gross inequities. I do not suppose that even the persons who would be affected by the amendment are the victims of gross inequities as to their compensation. So it seems to me that the pending measure as already drawn would cover such a situation, and that the remainder of the Senator's amendment would apply only to renewals and extensions of such contracts made prior to September 15, 1942, although the Senator's amendment provides—

Except that adjustments may be made by the President with respect to any such wages or salaries to the same extent that adjustments may be made by him with respect to wages and salaries in other cases under this joint resolution.

In other words, under the measure, without the amendment, the President would have the right to adjust any gross inequities in the general level as of September 15, 1942. If the general level as of September 15 is to be the basis and theory of our stabilization, I do not quite understand how such persons would be hurt by the present provisions of the

measure; because all the amendment would do would be to attempt to stabilize wages under contracts made by that date, with the provision later on that it would apply to any extensions thereof, and with another provision that the President could regulate them notwithstanding the amendment, just as he would be able to regulate wages by authority of the pending measure itself.

I do not quite see the reason for the amendment. I should like the Senator from California to explain that point.

Mr. DOWNEY. Mr. President, I am sure there is an extreme necessity for the amendment, and that, unless the amendment shall be agreed to, very great hardship and, I think, injustice will be worked upon many thousands of young persons in this Nation who have begun employment under a written contract according to the terms of which they are simply apprentices, and receive virtually no wages. Such contracts provide that as they grow older and obtain more experience and make good, their wages shall be raised on the basis of a sliding scale.

It seems to me that it would be extremely unjust and unfair to say to someone who, prior to September 15, 1942, had entered into a written contract validly and in good faith, expecting to work at a small compensation at first, but to obtain increased compensation as he grew older and became more experienced and more valuable, that he would be denied the benefits of a written contract in existence as of September 15, 1942. I should say that would be extremely unjust.

Mr. BARKLEY. Mr. President, let me ask the Senator another question. Suppose an apprentice had entered into a contract—whether written or otherwise—4 or 5 years ago, at any time prior to September 15, 1942, and that he entered into the contract as an apprentice. Of course, he would expect that as he moved along he would improve his situation and would receive advances in pay and in position. Even if his contract prohibited such advances on his part, such prohibition certainly would be a gross inequity which the President could correct under the general terms of the joint resolution, would it not?

Mr. DOWNEY. No, Mr. President; I doubt that. The pending measure attempts to freeze wages as of September 15, 1942.

Mr. BARKLEY. The freezing is not to be an inflexible freezing.

Mr. DOWNEY. No; but at least that is the point.

Let us assume the case of a man who had a written contract in which his compensation was fixed on the basis of a sliding scale. It seems to me that simple equity and fairness would require that written contract to be considered valid. It may be, as I understand, that all the newspaper guild contracts are written on the basis of a sliding scale. I understand that thousands of such contracts are written for young persons employed in the moving picture industry. It seems to me that it would be unfair to shatter the plans and hopes of persons having such written agreements.

Let me say to the Senator from Georgia [Mr. GEORGE] that if he believes that the amendment should be perfected so as to protect the Government against chicanery and fraud, I should be very happy to have it so amended. The amendment was written for me by the legislative counsel, and I accepted the amendment as it was prepared for me.

The language as prepared by the legislative counsel is as follows:

(b) Nothing in this joint resolution shall prohibit the payment by any employer, or the acceptance by any employee, of (1) any wages or salaries provided for in any contract entered into in good faith in the ordinary course of business prior to September 15, 1942.

If the distinguished senior Senator from Georgia desires to have inserted in the amendment the words, "any written contract entered into in good faith," of course I should be glad to accept such a change, and also should be glad to insert the word "written" before the word "option", so as to read, "any written option."

I cannot join the distinguished senior Senator from Georgia in believing that American employers and American employees would enter into any fraud by which such employers would have to pay to their employees more money than they had expected to pay under written contracts. I cannot see why employers would do such a thing. Why would any employer want to give an employee more money merely to defeat the aims of the United States Government?

If an increase in pay were provided by a written agreement, the employer might have to grant it, of course. I cannot quite understand why an employer would want to waste his money by dishonestly or fraudulently increasing the compensation of an employee.

Let me also say that our investigation led us to believe that the number of such contracts in existence—and I refer to written contracts, because, of course, they were what I had in mind—providing for compensation on the basis of a sliding scale was very small, and that they could not affect inflation at all.

I have already stated to the distinguished Senator that when the legal representatives of the Office of Price Administration approved the amendment they had in mind shipbuilding contracts which provide for increases in wages commensurate with increases in the cost of living; and they very distinctly had in mind that such contracts should not be permitted.

Under the proposed amendment the President would have the power to correct inequities of that kind or of any other kind which would interfere with the proper prosecution of the war.

Let me further say to the distinguished senior Senator from Georgia that before I submitted the amendment, I took it up with the distinguished senior Senator from Ohio [Mr. TAFT], I took it up with the representatives of the Office of Price Administration, and I took it up with the distinguished majority leader, the senior Senator from Kentucky [Mr. BARKLEY], and with the distinguished junior Senator from Michigan [Mr.

BROWN], the sponsor of the pending measure. I found no objection to it from any source; but now, unfortunately, I do find objection from one of our very ablest and most persuasive Senators. Of course, I regret that he does object.

Mr. GEORGE. Mr. President, I do not want to quarrel with the Senator about the amendment; but it seems to me that it is equivalent to saying that wages and salaries shall be frozen except in the cases of contracts providing for increases in wages or salaries.

Let me state a specific case by way of illustration. Every year I try to sell my cotton for future delivery. Suppose I enter into a contract to sell it for 25 cents a pound. I enter into the contract in good faith and in due course of business. Suppose the pending measure is passed, and suppose the President says, "The parity price is all you can receive for your cotton." Then I should be enjoined to sell the cotton under that price ceiling. Because I had entered into a contract, had made it in good faith, and had expended money in order to produce the cotton, is no reason why the provision should not be applied to me.

The pending measure is a drastic one. It would result in cutting off increases in the prices of farmers' products and increases in the wages of wage earners and increases in the salaries of salaried persons. The fact that a contract had been entered into would be no reason in the world for providing that a person working under such a contract should be excepted from the application of the provisions of the measure. To do so would be like placing a ceiling on salaries, and then saying, "No salary or wage shall hereafter be increased except in the case of those persons who had contracts providing for increases in wages or salaries." Of course, such persons might be the very ones whom it was desired to reach.

Mr. DOWNEY. Mr. President, will the distinguished Senator yield to me so that I may ask a question?

Mr. GEORGE. I am glad to yield.

Mr. DOWNEY. Let us assume a typical case, a case which the amendment is intended to reach. Let us assume the case of a young man who has entered the newspaper-reporting business. He agrees that for the first year, while he becomes older and more experienced, he will work for \$25 a week—of course, I have no idea what may be the sliding scale under those circumstances—but assuming a written contract entered into prior to September 15, and entered into in good faith by him, and relied upon by him, let us say that the contract stipulated that on December 15, at the end of his first year of service, he should receive \$35 a week instead of \$25 a week; and let us assume that everyone else doing the same class of work that he would then be doing would be receiving \$35 a week, the same amount which he would be entitled to receive under his written contract. Do I understand that the Senator would consider it equitable to say, "No; you cannot have the advantage of the written contract?"

Everyone else in the same class would be receiving \$35 a week—or even \$50, let us say.

Mr. GEORGE. Oh, no; that is another question. If in the market that is the price of wages that the President will fix, if that is the price ceiling fixed on wages and salaries, then, of course, he is entitled to receive it. It is not a question of whether it is right or wrong.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. GEORGE. The Senator from California has the floor.

Mr. DOWNEY. I am asking the Senator to yield for a question.

Mr. GEORGE. I am trespassing on the Senator's time.

Mr. DOWNEY. Not at all; but let me say I do not think the Senator quite understands the purport of the situation he is stating. If the young man we are talking about was receiving a salary as of September 15 of \$25 a week, even though he had in his possession a pre-existing contract providing that his salary would be increased \$10 a week within 6 months, if this joint resolution shall be passed and wages shall be frozen as of September 15, his compensation will be frozen at \$25, unless he goes directly to the President of the United States and says, "Now, Mr. President, I was getting only \$25 but now I am doing work entitling me to \$35, and my written contract calls for it, I ask you to grant me equity under your extraordinary equity powers in this amendment."

I may point out to the distinguished Senator from Georgia that it would be much simpler and easier and certainly result in much less fraud if we would assume that these written contracts have been entered into decently, fairly, and sensibly, and allow them to operate except when the President of the United States himself shall determine that in the prosecution of the war they are inconsistent with equitable principles. I speak somewhat emotionally—

Mr. GEORGE. I understand that, of course.

Mr. DOWNEY. Because I know there are thousands of young people in this Nation tonight who would be affected.

Mr. GEORGE. But the Senator is forgetting there have been many young people taken out of private life, where they were getting ahead, making money, and advancing, and who have been sent to the four corners of the earth to fight in the Army, and we who called them to serve in the armed forces said, "We do not propose to allow living costs to get clear out of hand." The President has asked us to give him the authority to stop the rising cost of living. The two things wherein his power was lacking were to control the price of the farmer's products and to control wages.

If we should say, as the Senator proposes, "All good and well, we will put a ceiling on the price of the farmer's products, we will seal his price and we will seal wages as of a certain date except where an employee has a contract," then, we would be guilty of the grossest kind of favoritism in behalf of those who have contracts. It may be perfectly right for them to have contracts, and for them to advance, but, if we permit it, we are obliged, in good conscience, to permit men to make advance contracts for farm

products and sell them on the forward prices, regardless of the fact that, in the meantime, a ceiling has been put on and it has been made unlawful to sell at above a certain fixed price which would be below the contract price. There is no great harm done to the apprentice or to the reporter who is just entering into his line of business on a sliding scale contract, because, although he is working under that sort of contract, if he becomes proficient, regardless of the wages which are fixed by the President or by the agency in charge, he can receive the same wage that all his fellow citizens receive for the same kind of work.

Mr. DOWNEY. Mr. President, will the Senator yield to me there?

Mr. GEORGE. I am glad to yield.

Mr. DOWNEY. That is not the theory of the joint resolution. The theory of the joint resolution is that if that young man we are assuming was working for \$25 a week he is going to be frozen there.

Mr. GEORGE. Oh, no.

Mr. DOWNEY. That is the theory of the pending measure.

Mr. GEORGE. Oh, no. That is Mr. McNutt's bill; that has not come along as yet. The employee is not put in the position of being told "You cannot ever leave this position"; he is free to leave that job.

Mr. DOWNEY. Yes; he is free to leave that job and find another job; that is true.

Mr. GEORGE. And he can find another.

Mr. DOWNEY. But he is not free, under the theory the Senator is advancing, to take from his employer the same wage that his fellow employees are receiving for the same work he would be doing.

Mr. GEORGE. Yes; he could, but he could take nothing by virtue of the contract, when the whole purpose of this bill is to outlaw the contract and to say, "Here is a ceiling on prices and a ceiling on wages and salaries; we are disregarding contracts and doing it by law." We could not defend it, under ordinary circumstances; but, if we are serious about this matter, we see that we must do it, and we go ahead and do it, and we cannot protect people because they have a preexisting contract and give them any special privileges. Wholly aside from their contract, of course, they can receive any wage, and every employer is justified and authorized to pay them any wage that is fixed under this proposed law.

I believe, if the Senator considers it in the proper light he is bound to realize that the moment this theory is admitted into this particular anti-inflation measure, that very moment all sorts of doors are open for fraud, and we will find all kinds of people in the United States saying, "Oh, yes; I employed Smith 2 years ago at \$5,000 a year, but I agreed to step up his salary to \$10,000 each year. He remains with me; here is my contract." There could be found many groups of employers who have made renewal contracts, on that basis.

This joint resolution is getting us away from contracts, and, not only getting us away from contracts, but it is denying us the right to contract; it is simply saying, "You have no right to contract," and

then it is proposed by an amendment to it, and say that because the contract was made sometime before we will allow a man to come in and have the fruits and benefits of his contract. I am sure that is inconsistent with the very theory on which we are trying to pass the proposed legislation.

Mr. BARKLEY. Mr. President, may I ask the Senator from California a question?

Mr. DOWNEY. I am glad to yield.

Mr. BARKLEY. The Senator submitted this amendment to me after he had drawn it, and I talked briefly with him about it. Frequently it happens here, of course, that we do not know all our reactions to amendments until we consider and discuss them.

I want to ask the Senator if he realizes that in the case of the boy drawing \$25 a week, to whom he referred a while ago, there is nothing in this measure that prevents promotions of any kind? If a man or woman has earned a promotion he or she can get it under this measure. If a woman has been working in a store as a stenographer, and the store wishes to promote her to the position of floor manager or buyer, at a higher salary, there is nothing in this measure that would prevent that being done.

If the young man to whom the Senator referred a while ago is under a contract to work for \$25 or any other sum a week, and by reason of his experience earns a promotion at a higher salary, there is nothing in the pending measure that will prevent that. I realize the earnestness with which the Senator presents this matter, but I do not think there is anything in the joint resolution that would prevent the boy from getting a promotion, if he had earned it, or anybody else, so far as that goes.

Mr. DOWNEY. Mr. President, there are certainly two answers to the suggestion, but, before I mention them, I should like to point out to the Senate that the distinguished Senator from Georgia certainly made an extraordinary statement when he said that employers want to commit fraud and perjury and deceive and defeat their Government in order to pay higher wages to their employees. I cannot conceive of that; I cannot conceive there would be one employer in the United States who, for no other purpose than to defeat the laws of the United States would say, "I am going to connive with you and claim that I agreed 2 years ago to pay you \$10,000 instead of \$5,000 you are now getting." What possible temptation could there be on the part of the employees to enter into a deceitful scheme, a shameful scheme of fraud and chicanery?

I do not say that there might not be isolated cases in which someone would want to get more money out of a corporation for a relative, when there might be the possibility of fraud; but the amendment can be perfected, if the distinguished Senator from Georgia desires, to make it even stronger than it is as now drafted.

Mr. President, let us consider the rather startling statement of the distinguished majority leader. Let us take the case of an actress in Hollywood who may

have been slaving for three or four years, giving up a substantial part of her life, who finally on September 15 is receiving a salary of \$100 a week, or a month, and her contract provides that a year after that, if she continues to make good, she shall automatically be increased to \$200 a month or \$200 a week, whatever it may be.

I say, in contradiction to what our distinguished leader says, that the employer could say to her, "Your wages were frozen as of September 15, and while in good faith, under this contract, you are now entitled to \$200, we are not going to pay you that." That is how I think many employers would act, instead of indulging in the prodigal liberality presupposed by the Senator from Georgia.

Mr. BARKLEY. If the employer undertook to take advantage of the proposed law and say the wages were frozen at \$100 a week by the proposed act, the actress could go to the President of the United States and say, "This is a gross inequity," and the President would have the power to correct the gross inequity.

Mr. DOWNEY. Undoubtedly there would be tens of thousands of people who would be personally and rightfully complaining to the President of the United States, and asking him to rectify an injustice in accordance with written contracts.

Mr. President, I wish to comment upon one further statement made by the Senator from Kentucky to the effect that in the kind of cases we are discussing there would be nothing which would prevent an employer from promoting an employee. I cannot agree with that. If a writer or an artist or a movie star were working at a certain fixed stipend, and the President issued an order freezing wages on a certain date, the employer could not a year later say, "I am going to promote you into a higher class just to pay you more money." I cannot agree that that is correct.

Before the amendment was offered, it was submitted to the legal representative of the O. P. A., to the senior Senator from Ohio, to the Senator from Michigan, and to the majority leader. It is my firm opinion that not by the widest range of imagination could this amendment be fancied to tend to create any inflation. I do think it would tend to do away with many inequities and many unjust situations, and that it would be a corrective far easier of application than if we take the opposite road—compelling the President to pass upon every one of these cases categorically.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from California [Mr. DOWNEY].

The amendment was rejected.

Mr. WILEY. Mr. President, in the 1820's in the Senate of the United States, Mr. Benton, of Missouri, arose and introduced a resolution relating to the tariff laws which favored the manufacturers of the East. Out of that resolution grew the famous Webster-Hayne debates, because that resolution was a vehicle for the expounding of the nullification theory by Hayne and the reply thereto by Webster, holding that this was one

Nation, inseparable. But in that famous debate, which gave Webster the opportunity to present the need of comprehending this Nation as a unit, the West and the South attacked the East. Bitter words were said, and after they had been said and the nullification theory expounded by Hayne, President Jackson requested Webster to reply. The East was bitterly maligned. In those days it was a matter of attacking a geographic segment of our society.

Today because of the power of the press and the lack of vision in some of our statesmen, not particularly a geographic segment, but an economic segment—the farmers of America—have been maligned. There are 30,000,000 farmers, about 23 percent of our population.

If there had been a Webster in the Senate, it would have presented a grand opportunity for him to again make a speech on the Union—one and inseparable.

He would have demonstrated with clarity that it was imperatively necessary, on behalf of the consumers of America and our Allies, that the farmers be provided with adequate labor and machinery, and receive adequate pay. He would not have permitted the biased minds of the press and the radio to sell the consumers of America on the proposition that the farmers were a selfish group, that this was a matter in which they were simply trying to "feather their nest."

No, Mr. President, in clarion voice he would have demonstrated what is likely to be the fact, that the grass will grow in the streets of the cities and the villages of this country unless the farmers of America are at least given the cost of production for what they produce and permitted to have labor and machinery to produce the food America needs.

We all have faith that wisdom will be given to America to control inflation. We all believe in equality of sacrifice. But if Webster were here, he would demonstrate clearly that the very life of America and the success of America and her Allies in the war depend upon the "munitions" which come from the farm.

Yes, a Webster would demonstrate clearly to anyone who might read that the pending measure will not decrease the present cost of living and, of course, will not keep the cost of living from advancing.

Mr. President, the issue involved in this debate is infinitely larger than the question of farm prices. It is an issue which may involve the continuance of the American form of government. It is not simply a case of being for or against inflation, as some newspapers would have us believe. It should be apparent at the outset that no Member of Congress wants inflation. As a matter of fact, those men who wish to establish a fair price for the farmer are probably more concerned with preventing inflation than those who merely talk about farm prices without being willing to establish a law which would place a ceiling on wages.

If Webster were here he would present the cause of the farmer so clearly that the blinders which so many of our

citizens have in front of them would be torn off. He would, for instance, show that the farmers of Wisconsin are getting between 4 and 5 cents a quart for milk, that it takes 4 quarts to make a pound of cheese, that the farmer then is getting between 18 and 20 cents for the milk that goes into a pound of cheese, that the cheese factory is selling it for 28 cents, that when it is purchased in Washington the consumer pays 60 cents.

He would do the same with beef and pork, high as it is, and show as to every article the farmer sells that the farmer is not getting the "gravy." He would ask why, when beef went up to 137 percent of parity and hogs went up to 125 percent of parity, the administration did not reduce the prices of these articles to 110 percent of parity.

Another thing Webster would have done, so anyone who runs might read; he would have disposed of the smoke-screen precipitated by the administration and some of the columnists and men of the press, blaming Congress in this emergency. We know that the present results are due entirely to the piecemeal action of the administration.

Mr. President, under the pending measure, and the public might just as well know it, the administration does not propose that the consumer shall purchase on the basis of the parity the farmer is supposed to get. The presently proposed resolution provides ceilings on pork and beef and wool—that the highest prices received by the producers between January 1 and September 15, 1942, shall remain in effect. The 100 percent ceiling relate only to that large group of farm products which are still 45 percent to 85 percent of parity.

The plain and simple fact, Mr. President, is that the American people are being led to believe that this measure will prevent high prices, and will reduce the cost of living. That is not true.

The resolution provides in part for the retention of present ceilings on pork and beef and wool, and all of the fuss and furor about the 100 percent ceiling relates to products which are still only 45 percent to 85 percent of parity.

In other words, the issue has been grossly distorted. At this period in the Nation's history, when we face the grave test of survival, this type of distortion is more unfortunate—not merely because it befuddles the American people, but because it creates division in our midst at a time when we need unity.

It is not my purpose to comment at length upon the misunderstandings which have been engendered by many newspaper accounts, because to a large degree that misrepresentation only reflects the confusion which has characterized the statements of those in high governmental offices with respect to this problem.

It is, however, manifestly unfair—and "unfair" is the most charitable word I can use—for some of the press of this Nation to indict Congress for manifesting the courage and statesmanship necessary to insist that the farmer get a square deal. It is comparatively simple and infinitely more politically expedient to make the farmer a scapegoat.

There is much talk about the so-called farm bloc. I am not a member of any bloc, but I am certainly proud to join with those loyal Americans who have made an outstanding contribution to the war effort with an 80-hour week and no overtime, and who ask only the simplest kind of economic justice.

Of course we are all against inflation, and of course we are all against any unwarranted increase in prices on the commodities market, but when the Wisconsin dairy farmer gets from 18 to 20 cents for the milk which goes into a pound of cheese, and we here in Washington pay 60 cents a pound for that cheese, it is not particularly intelligent of us to denounce the farmer as making an excessive profit.

His cost of production for the 4 quarts of milk that went into that pound of cheese, incidentally, is approximately 18 cents, and no man can accuse him of profiteering. The handling charges on that pound of cheese are more than twice what the farmer gets for the raw materials and his 80-hour week, and still when we condemn the high price of that pound of cheese we indict the farmer.

Let there be no misunderstanding. We need legislation to control prices. The pending joint resolution, however inadequate and however mistakenly conceived, is apparently the only measure acceptable to the majority, and frankly I can see no alternative except to support it.

I hope that every consideration will be given to the difference between the price the farmer receives and the price the consumer pays. It seems apparent that the threat of inflation, instead of having been created by an increase in farm prices, has been retarded to a certain degree because the farmers have increased their production so tremendously.

It is impossible to believe that the farmers, who constitute 25 percent of the Nation, and who receive less than 10 percent of the national income, can be charged with creating inflation.

I wish it were possible for some of our Washington swivel-chair experts—yes, and for some of our learned columnists—to spend a few weeks on a farm in Wisconsin or some other State.

The Dean of the University of Wisconsin College of Agriculture tells me that thousands of farmers in our State are considering selling a part or all of their dairy herds to reduce the labor requirements. There is a decided movement underway in dairy areas to deplete dairy herds and sales for slaughter because of this labor shortage.

In Wisconsin at the present time there are more farm sales of livestock and personal property than there have been in a generation. The farm labor situation is becoming increasingly critical.

Mr. President, I ask that there be inserted in the RECORD at the conclusion of my remarks an article entitled "The Political Mill," by Gould Lincoln, which appeared in the Evening Star of September 29, 1942.

I regard this article as an outstanding example of a fair, impartial, and intelligent analysis of the pending measure.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Evening Star of September 29, 1942]

AMERICAN FARMER, SEEKING EQUALITY OF TREATMENT, IS MADE THE TARGET OF THE PRICE CONTROLLERS

(By Gould Lincoln)

Ever since Labor Day a great effort to dramatize the American farmer as the horrid villain in the piece Save America From Inflation has been thoroughly underway. His aides have been pictured as Congress and the farm organizations themselves.

The cost of living has been going up. There was every chance that it would continue to go up. President Roosevelt sent a message to Congress and delivered a radio speech to the American people, demanding that steps be taken by Congress to curb farm prices, adding that he himself would handle wages of industrial labor—which have soared to new heights with the vast war program underway. These were the two great items in the cost of producing and the cost of living in this country, which were not controlled as they should have been in the so-called Price Control Act, under which the country has been operating for many months now. Farm prices, under this law, have been privileged to go to 110 percent of parity (the formula devised years ago to equalize the farmer's dollar with that of industry). Labor's wages were not fixed at all in the law, and no ceiling for them whatever was attempted.

Fair warning of what was to be expected—in the matter of increased cost of living—was given the administration by Bernard M. Baruch, head of the War Industries Board in the last war, and by Representative Gore of Tennessee and some other Members of Congress. No attention was paid to these warnings, however. The farm lobby was on the job at the time. But so, too, was the labor lobby, of which nothing is heard now in the bursts of indignation over the farmer and his prices. The farm lobby may be effective, but compared to the labor lobby it is a gentle zephyr instead of a gale when it hits Washington.

PRESIDENT RIGHT

The President was entirely right to demand that steps be taken to halt inflationary moves, to prevent the ever-increasing cost of living. He told Congress bluntly that if it did not act by October 1 he would himself use the powers which he has during the war to control farm prices. He said that he himself would "stabilize" industrial wages.

The difficulty was that Congress and the farmers had heard the talk of stabilizing wages before—and the only evidence of any movement on the part of wages was an upward movement.

Senators and Representatives in Congress from agricultural States—some from industrial States, too—say flatly that the farmers would have been willing to have an effective price ceiling placed on farm products from the very first of the price-control agitation if there had been at the same time an effective ceiling placed on the prices of the things the farmer has to buy—and on industrial wages, which necessarily affect the prices of the things the farmers must buy. They insist that the farmers—and their organizations and their lobby—have only been trying to protect the farmers, to keep them from being made the "goat" in a vast inflationary movement.

MISTAKE MONTHS AGO

The mistake was made months ago. The Congress passed the kind of a bill demanded by the administration, although at the time the representatives of the farmers, in and out of Congress, succeeded in getting through

provisions which made an effective ceiling on farm prices impossible. But the administration had its way thoroughly in the matter of industrial wages. There was nothing whatever in the bill to deal with wages. Ever since wages have gone on their way up. They are still going up. If they were frozen as of today—and the farm prices were frozen, too—the farmers would still be behind in the procession which is making for the increased cost of living.

So when the bill now pending in the Senate to tackle further the question of price control was drafted the farmers insisted upon getting a better break for themselves, if they could. They have been forced to pay excessively high prices for farm labor, and many of them have been unable to get help at all. Either the farm laborers were taken into the military service or they hurried away to industrial plants where they could make three or four times what they had been receiving on the farm.

The demand of the President for a law at the hands of Congress to place a ceiling on farm products—while he made no such demand for a law placing a ceiling on wages, although he asserted that they would be stabilized—left many Members of Congress and the farm organizations dissatisfied and suspicious. They saw no reason why there should be law for the farmers and none for labor. They and their friends in Congress set to work therefore to write into the bill a provision that would give the farmer the right to have the cost of farm labor considered in arriving at the parity price of his produce. They also wrote into the bill provisions dealing with wages. These provisions direct the President to promulgate regulations controlling wages.

THE DEADLINE

Further, the Senate, which is now considering the bill, has before it a provision directing the President to issue a general order stabilizing prices, wages, and salaries affecting the cost of living "on or before November 1, 1942." In other words, a deadline is set for the President—just as he set a deadline for Congress to act by October 1, 1942. The deadline set for the President is just 2 days before the elections.

The House has been denounced widely because of its action on the farm price-control bill. The Senate is expected to act today. Senator THOMAS of Oklahoma has offered an amendment directing that in fixing parity prices the cost of farm labor must be included. Well, the costs of farm labor have increased greatly, which would have the effect of increasing the parity prices. It has been shouted from the housetops that to accept the House version of the bill or the Thomas amendment would be to increase the food bill of the American people by \$3,500,000,000 a year. If it does, the money would not go to the farmer, or comparatively little of it would. The farmers feel seriously the increases they must pay for farm help. Hence the demand.

The present struggle in Congress between the President and the legislative branch over farm prices has been called an epic struggle, upon the outcome of which may hinge the continuance of the American form of government. The Chief Executive and Congress have had other struggles, just as important at the time, during many years. The American form of government has continued to stand.

No one wants inflation in this country. There are too many groups and blocs seeking to make all the money they can out of these war conditions. But to pile all the blame on the farmers for present conditions is ridiculous.

Mr. THOMAS of Oklahoma. Mr. President, I submit a new section to be added to the joint resolution.

The PRESIDING OFFICER. The clerk will state the proposed amendment. The CHIEF CLERK. It is proposed to add at the proper place in the joint resolution a new section, as follows:

SEC. —. In order to promote and to secure the necessary production of any commodity or group of commodities deemed essential to the war effort, the President is hereby authorized to appoint a Director of Supplies applicable to the commodity or group of commodities of which there is either a shortage or a threatened shortage.

Mr. THOMAS of Oklahoma. Mr. President, the proposed amendment is only permissive; it is not directive. I am convinced that at the present time there is a shortage of beef products. I do not desire to take the time of the Senate to call attention to the evidence supporting that conviction. If the proposed section is adopted and becomes a part of the pending measure, at any time a shortage in a particular commodity should develop the President would have the power to appoint a Director of Supplies to secure an increase in production of that commodity.

I have in mind the recent appointment of the Director of Rubber Supply. I feel certain that appointment will result in a production of rubber as fast as humanly possible. Having that in mind, I hope the pending amendment will be agreed to and taken to conference.

Mr. BARKLEY. Mr. President, the President already has authority sufficient to do the very thing suggested by the able Senator from Oklahoma. We did not give him any power to appoint a Director of Rubber Supply; he already had it, by reason of the war powers authority which had been conferred upon him. He may appoint any director or any supervisor or anyone having to do with the war effort, as he thinks wise. If we should include an amendment such as that which has been offered by the Senator from Oklahoma and the President did not operate under it, I think it is probable that someone would criticize him for not carrying out the purpose of Congress. We have already conferred upon him the fullest power and authority, and he does not have to come to Congress for any more power to appoint anyone over anything affecting the war effort.

Mr. TAFT. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TAFT. I merely want to call attention to the fact that under section 2 (e) of the Price Control Act the Price Administrator is already authorized to guarantee prices to secure maximum production and, of course, that was a general War Powers Act, and the President may transfer the control of it to any committee or to anyone else.

Mr. BARKLEY. That is undoubtedly true.

Mr. THOMAS of Oklahoma. I shall now take the liberty of calling attention to the present shortage in the beef supply, and there has been no director appointed as yet to promote the production of beef.

The Secretary of Agriculture recently made the following statement:

Food will win the war and write the peace.

I quote from the New York Times of September 25, 1942. The first article is under the following heading:

Wickard demands weekly meat cut to 2½ pounds each—Secretary limits deliveries to retailers by 21 percent for the next 3 months—military needs are told—Army, Navy, lease-lend uses are put at 6,000,000,000 pounds—Office of Price Administration prepares rationing.

I next call the attention of the Senate to an article appearing in the Washington Post on September 27, 1942, under the following heading:

Rationing all foods probable for next year—Agriculture Department warns shortage becoming acute.

I next refer to the front page of a publication called The Prairie Farmer. The leading article is under the following headlines:

Labor shortage threatens food output—Prairie Farmer survey in 81 counties reveals need for soldiers on farm front if world is to eat in 1943.

In the middle of the page I find the following text:

Prairie Farmer asked these farm labor questions of 81 farm advisers and county agricultural agents in Illinois, Indiana, Wisconsin and Michigan. Their answers spell lower food production in 1943:

Is there a labor shortage in your county now? Yes—67; not serious—12; not yet—2.

Can your county produce as much food in 1943 with the present labor supply? No—41; doubtful—9; yes (if can keep present farm labor)—31.

At the present rate of drafting farm boys and farm hands, will any land in your county lie idle next year? Yes—53; probably—9; won't be farmed as well—16; no—4.

Mr. President, I also call attention to a statement appearing in the Farmer-Stockman of Oklahoma. The article appeared in the October number of the publication. I am not sure this issue is yet in circulation, but when the issue does appear it will contain a full page under the heading, "Talks with our readers by the editor."

I desire to call attention to a few of the paragraphs from this article, as follows:

FARMERS CAN'T COMPETE

Wages paid to labor today in war industries and in government construction projects leave no possible basis on which farmers and stockmen can compete.

A weekly wage for common labor starts at \$35 and quickly goes up to \$50 and more. Boys under 20 with little or no mechanical training are started at 95 cents an hour at some places, which modest stipend brings in \$45.60 for 48 hours.

Little wonder many small farmers right now are rushing the harvest in order to close up or sell out to get jobs in defense industries. Some quit or sold out before harvest.

It appears that the farm hand may soon disappear for the duration. Why shouldn't he? Why work for parity farm wages when other wages are double or more?

We are glad to see these farm hands and ex-farmers pull down some good money. They have never been overpaid and often underpaid. And we are not advising them what to do. If we did it would do no good.

We are only again inserting into the record the fact these high wages have stripped farm regions—or soon will—of manpower not subject to the draft which fact will show up in reduced farm production in 1943.

For that smaller production the farmer will in nowise be to blame. We would like to put that in the record, also.

Mr. President, I call attention to another publication published in my State, the Tulsa Tribune, of date September 25, 1942, which I have before me. On one of its pages are printed several pictures of farm sales. It shows that the farmers in that section of the State are selling everything they have. From the article printed in connection with the pictures I quote from an auctioneer as follows:

"They're all selling out," Bowline said. "Either they can't get help for their farms, they can't get transportation to and from their farms, or they are going into the service."

Further along in the article a farmer, Mr. Barlett, is quoted as saying:

What is the farmer going to do about it? He can't compete with highly paid jobs when it comes to hiring men. And if they put a ceiling on the price of livestock, there won't be a chance of making anything. A lot of farmers are selling out right now before they lose their shirts.

Mr. President, I have before me another newspaper published in my State, the Tulsa Daily World of September 23, and I quote from it, as follows:

LABOR SHORTAGE THREAT TO FOOD SUPPLY IN TULSA—500 MEN TO DEFENSE JOBS IN CANADA AND ALASKA, CHAMBER OF COMMERCE TOLD

More than 500 men have been recruited from the Tulsa area for defense jobs in Canada and Alaska, it was revealed here Tuesday a few hours after directors of the chamber of commerce heard predictions that a general food shortage may result from loss of farm labor.

John Rogers, former president of the chamber, declared in the weekly directors' meeting that milk rationing is near in Tulsa because the dairies cannot get necessary men, and declared these high wages are taking the men away, and we are going to see all kinds of food rationed if we don't keep the people on the farm.

J. W. Campbell, employment officer for three companies engaged in defense work in Canada and Alaska, said that more than 500 men have been employed here and others will be engaged.

"We have no trouble getting men because of the wages we pay," he said, pointing out that a carpenter is paid \$1.50 an hour and common laborers \$1 an hour for the 40-hour week. In Canada a carpenter might make \$450 a month, and his room, board, and laundry would be furnished.

In Alaska the men would pay \$1.25 a day for room and board.

The men are sent on the first leg of their journey in Pullmans, and are flown the last 1,000 miles to their locations.

Mr. President, my purpose in offering the amendment was to make the Record. To me it is obvious that a meat shortage threatens the people of the United States. In order to prevent a meat shortage steps should be taken, and taken now. The only way a meat shortage can be prevented is to take steps to see to it that we have meat, and that can be obtained by an increased production of cattle, an increased production of hogs, an increased production of sheep, and an increased production of poultry. The matter is so serious as to demand attention and at once. I can do no more than call attention to the problem and to place in the Record my statement of this fear of

a meat shortage, and to refer to some of the evidence which supports my statement.

THE VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS].

The amendment was rejected.

Mr. SHIPSTEAD. Mr. President, in view of the President's speech on Labor Day, and in view of the scandalous and venal attacks upon the farm bloc by the newspapers and subsidized radio commentators, I ask that the clerk read at the desk an article by George E. Sokolsky, published in the New York Sun of September 29. I wish to compliment the New York Sun for printing such an illuminating and sensible article.

THE VICE PRESIDENT. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

THESE DAYS

(By George E. Sokolsky)

LET'S WATCH OUR STEPS

The debate over inflation has turned itself into a debate over farm prices; the debate over farm prices has become a debate over the effectiveness of Congress; the debate over the Congress raises the issue as to whether we shall remain a democratic republic or be translated into a totalitarian tyranny. The realistic explanation of this most unfortunate denouement to the President's ultimatum to Congress lies in the very serious question of rising wages—and that, the crux of it all, is not being debated. That is political dynamite on the verge of an election.

WORKERS FOR THE FARMS

It is not only industrial wages but agricultural wages that raises riot with us these days. When Senator HATCH threw the responsibility for feeding the Nation upon those who were opposing the farm bloc he was daringly challenging the President and the big-city economists who were missing the issue altogether. To them this is a struggle for power between farm politicians and the administration. But the fact is that this country will not be fed unless farm wages can compete with industrial wages so that the pull of workers off the farm ceases.

In this country most of us are being fed not by the small farmer who works a few acres himself, but by the large farmer who raises surplus crops, such as our grain farmer in the Northwest, the beet-sugar farmer of Utah, the fruit and vegetable farmer of California, and so on. These farmers depend on large masses of seasonal labor, often migratory labor, which has to be paid in some relationship to what the product will bring in the market. That labor has become frighteningly scarce. In California the elimination of the Japanese has made a more serious void than we have been told. The authorities in Washington have been suggesting Negro labor from the South, but this has generally met with disapproval for many reasons. The Californians desired Mexican labor which, again for many reasons—some very idiotic ones—has not been made available. The result is a food tragedy.

Now this problem is not going to be solved by ultimatum, by ridicule of Congress, or by prejudice. It involves complicated economic and social situations, regionally understood but misunderstood altogether on the east coast. If handled incorrectly we are in for a famine, because while you can argue all you like about such a political question as a second front, there is no argument about unplanted seed. What does not go into the ground will not come out of it. And even when a crop does appear it has to be harvested by competent hands or there will be no food.

This is not politics; it is agriculture, which is the essence of the life of any people.

Of course, we can substitute slave labor for free labor on the farms. That would be a short-cut solution. We might station guards with machine guns to see that the crops are harvested. Those who talk glibly about forced labor, about shifting manpower to where it is most needed, and about making men work or fight—they do not begin to appreciate the magnitude of the farm problem.

FARMING IS SKILLED WORK

Farming in every phase is skilled work—skilled in its own way. To the city slicker the farmer may look like a dope, but the city slicker would not know what to do when he saw cabbage moths hovering over his young plants; he would not know how to milk a cow or how to keep the chickens from dying; he would not know how to anticipate a frost. I have seen these lily-handed gentlemen put their money into the soil and it remained buried there because the soil is not interested in money or politics; it concerns itself with seed and fertilizer and the proper amounts of water and sun, and the care of soil and plant by firm and trained hands. Politicians may argue and great economists may debate, but unless the seed goes into the ground and is properly handled and harvested, the Nation will starve.

The question then is what to do. Certainly the way is not to keep prices of manufactured goods high and farm prices stationary. That will not work. The way must be to keep all prices at a safe level. And that must include factory labor.

Mr. TAFT. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

THE VICE PRESIDENT. The amendment offered by the Senator from Ohio will be stated.

THE CHIEF CLERK. On page 5, after line 15, it is proposed to insert the following new subparagraph:

(b) The President shall have power by regulation to limit or prohibit the payment of double time except when, because of emergency conditions, an employee is required to work for seven consecutive days in any regularly scheduled work week.

And at the beginning of line 16, to strike out "(b)" and insert "(c)."

Mr. TAFT. Mr. President, the purpose of this amendment is to give the President the power to limit the payment of double time on Sundays and holidays. The President has already issued an order, but I think there is some doubt about its validity, although perhaps if it is read to relate solely to war work, it may be valid. On the other hand, certainly no penalty is attached to it. I believe that we should give him the power to limit the payment of double time on Sundays. Evidently he feels that it should be done.

I hope that the Senator in charge of the bill [Mr. BROWN] will accept the amendment.

Mr. BROWN. Mr. President, the Senator from Ohio showed me the amendment. As I understand, it would authorize the President to limit or prohibit double time. It would not, of course, direct him to do so.

Mr. TAFT. It would not direct him to do so, but since he has already done so, presumably he would act under that authority. The amendment would subject any violation of his regulations to

the penalty contained in the joint resolution, whereas under the Executive order there could be no penalty.

Mr. BROWN. Under the terms of the Senator's amendment, would the President have the right to make exceptions?

Mr. TAFT. Under the word "limit" he might limit it in any way he saw fit.

Mr. BROWN. In the opinion of the Senator, could he make exceptions in cases in which he thought it was necessary to do so?

Mr. TAFT. Yes.

Mr. BROWN. I am satisfied.

THE VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

The amendment was agreed to.

Mr. BALL obtained the floor.

Mr. TAFT. I suggest the absence of a quorum.

THE VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Overton
Andrews	Green	Pepper
Austin	Guffey	Radcliffe
Bailey	Gurney	Reed
Ball	Hatch	Reynolds
Bankhead	Hayden	Rosier
Barbour	Herring	Russell
Barkley	Hill	Schwartz
Bilbo	Holman	Shipstead
Bone	Johnson, Calif.	Smathers
Brewster	Johnson, Colo.	Smith
Brooks	Kilgore	Spencer
Brown	La Follette	Stewart
Bunker	Langer	Taft
Burton	Lee	Thomas, Idaho
Butler	Lodge	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capper	McCarran	Tobey
Caraway	McFarland	Tunnell
Chandler	McKellar	Tydings
Chavez	McNary	Vandenberg
Clark, Idaho	Maloney	Van Nuys
Clark, Mo.	Maybank	Wagner
Connally	Mead	Wallgren
Danaher	Millikin	Walsh
Davis	Murdock	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	
Gerry	O'Mahoney	

THE VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

Mr. BALL. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

THE VICE PRESIDENT. The amendment offered by the Senator from Minnesota will be stated.

THE CHIEF CLERK. On page 4, line 14, after the words "Sec. 4" it is proposed to insert "(a)."

On page 5, after line 6, it is proposed to insert the following new subsection:

(b) Except as hereinafter provided, no employer shall increase the salary or the straight-time hourly wage rate of any of his employees unless such increase has been approved by the President or such agency as he may designate to administer this subsection. No increase in salaries or in straight-time hourly wage rates above those being paid by the employer for the same general work on September 15, 1942, shall be so approved unless such increase (1) does not raise such salaries or straight-time hourly wage rates more than 15 percent above the average salaries or straight-time hourly wage rates for the same general work prevailing

in the affected industry on January 1, 1941, or (2) is found by the President or such designated agency to be necessary to correct gross inequities or to maintain or increase essential production. This subsection shall not apply in the case of (1) any salary increase which does not increase the salary of the affected employee to an amount in excess of \$5,000 per annum, (2) wage increases which do not increase straight-time hourly wage rates of affected employees to an amount in excess of 60 cents per hour, (3) wage increases which affect fewer than 25 employees of a particular employer, or (4) any salary or wage increase which compensates the affected employee for added responsibility or added work resulting from a promotion. The President or such designated agency shall define the conditions under which such approval shall be required in the case of salaries or wages paid to new employees by an employer.

Mr. BALL. Mr. President, we have spent a week debating the various provisions of the joint resolution covering ceilings on farm prices. The aggregate income of the farmers of America is about \$15,000,000,000 a year. The aggregate total of wages and salaries being paid today is about \$75,000,000,000, or five times as much.

I believe that rapidly increasing wages and salaries are far more inflationary in our economy than are farm prices, which we have been discussing for a week. It is the purpose of the amendment which I have offered to write into the bill a specific formula for establishing ceilings on wages and salaries. The people of my State are perfectly willing to accept stabilization of our economy and freezing of prices, provided they are sure that the freezing or control goes clear across the economic board, and that no individual or group will escape control. We can be reasonably sure that prices will be frozen under the terms of the joint resolution which we are considering today. All prices except those of farm commodities have been frozen at the highest levels of March.

We know that the prices of farm commodities are to be frozen as of September 15, if the pending measure be agreed to. As a matter of fact, in section 2 of the Price Control Act, approved last January, Congress fixed definite standards for arriving at ceilings on prices.

I myself think that the prices of farm products will have to be increased in order to increase their production, but such increases will mean no additional net income to farmers. They merely will cover increased costs of production.

However, as the joint resolution now stands it provides no standards for applying ceilings to wages. All we have is the provision of a floor, a provision that the President shall not decrease salaries below the highest level obtaining between January 1 and September 15. I think that the people of the United States, and I know that the people of Minnesota, farmers, small businessmen, white-collar workers—and thus far the white-collar workers have taken the worst squeeze of all in the inflation spiral—and even the rank and file of labor itself are ready and willing to accept real stabilization provided they are certain that it goes clear across the board

and applies equally and fairly to everyone. I think they are entitled to such an assurance from Congress, but I do not believe they can have any real assurance of it unless we write into the pending measure a formula for stabilization of wages, a ceiling on wages, if you please, for the people know that there is a ceiling on prices; they know what it is and how it works; they know how the ceilings on farm prices work; but not one man in one hundred knows how the Little Steel formula works. Not even employers and employees know how it applies.

So I believe that it is the obligation of Congress to write into the pending measure a specific formula to control the \$75,000,000,000 of purchasing power and to see that it does not increase. Unless we do that, all we shall accomplish by the pending measure will be to slow down the spiral a little; but it will keep right on going up, because we cannot hold down prices if we let wages and salaries continue to rise. What I have just now stated is the major purpose of the amendment.

The other purpose is to provide direct control over wages and salaries. As the joint resolution now stands, the only way the President could carry out the directive of Congress to stabilize wages would be by indirectly doing so by means of his power to decide, through the Army, the Navy, or the Maritime Commission, what were allowable costs in war contracts, or to decide what should be allowed by the Treasury Department as tax deductions, or through maximum prices as fixed by the Office of Price Administration. In other words, we should be doing indirectly the wage and salary stabilization job—which is the most important job to be done in stabilizing our economy—instead of attacking the task directly, and simply saying that no wages and salaries shall be increased without the approval of the President.

My amendment was tentatively written into the pending joint resolution in the Committee on Banking and Currency. It was taken out by a vote of 12 to 7, after Philip Murray, president of the C. I. O., had telegraphed to the chairman of the committee his objections. The objection to writing a definite formula into the pending measure is that the Little Steel formula would permit any wage increases which would not bring the total increase since January 1, 1941, to more than 15 percent. That much was allowed because at the time when the formula was decided upon and was fixed by the War Labor Board the cost of living had gone up approximately 15 percent.

The reason for the desire not to freeze that formula into the pending measure is that those who take that position believe that the cost of living will continue to rise. I myself think that it will do so. They will want to change the formula when the cost of living goes up another 4 or 5 percent; and in that event we shall have another increase of 4 or 5 percent in wages, and then prices will have to chase them up again, and then we shall be back in the old spiral.

Provision for such an increase is not needed, because the wage formula is based on straight-time hourly wage rates. I cite the following figures which I have received from the Department of Labor:

In the manufacturing industry, straight-time hourly wage rates increased 17 percent between January 1, 1941, and May 1, 1942. In other words, the overwhelming majority of employees in our manufacturing industries already have had all the wage increases that would be allowed under the formula; and those increases have been made on a straight-time hourly wage rate basis. When we consider their average weekly earnings—which are the real criterion, because the housewife does not buy groceries out of the weekly rate, but out of the weekly pay envelope—we find that the average weekly earnings in the manufacturing industries have increased 35 percent during that period. In other words, the average weekly earnings are still far ahead of the increase in the cost of living.

At any rate, I think it is time that we recognize that we cannot have both guns and butter, that we cannot fight a total war, and at the same time maintain our peacetime standards of living.

We shall not be able to increase our incomes in order to meet every increase in the cost of living. Everyone will have to make sacrifices.

In the committee there was some question about the exemptions provided on page 2 of the amendment. First, the formula simply provides that no advance in wages—and no advance in salaries, either—which increases the average hourly rate more than 15 percent above what the employee was receiving on January 1, 1941, shall be approved, and that no employer may grant such an increase unless it is approved.

The second proviso grants the President or such agency as he may designate authority to approve increases beyond the 15 percent, when necessary in order to correct gross inequities, or when necessary—as in the case of copper mining in the West—in order to maintain or increase essential war production. I think we need such flexibility in the measure.

Then I have exempted from the general requirement of approval of all increases by the President, salary increases which do not raise the employee's salary to more than \$5,000 a year. I have exempted wage increases which do not increase the hourly rate of the employee's wages to more than 60 cents an hour. I have also exempted wage increases which are of a promotional nature and wage increases which affect fewer than 25 employees of a particular employer. The latter provision is simply in order to take care of large companies which have dozens of wage adjustments to act on every day. They are not general wage increases; they are not inflationary. They are simply the ironing out of inequalities.

Provision for those exemptions is included in the subsection simply in order to make it practicable of administration, for I do not believe we can have every employer of one or two persons coming to Washington in order to obtain approval of wage changes for his employees.

I should like to point out, however, that the exemptions apply only to that subsection; and they would leave completely unimpaired the President's authority under section 1, under the other subsections of section 4, and under section 5, to handle wages. He would be exempt from the particular requirements of the subsection; he would be able to handle wages in any way he might see fit to handle them. If he desired to go below 60 cents an hour he could do so; he could make every employer comply if he desired to do so.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. VANDENBERG. In his message on April 27, the President said:

I believe that stabilizing the cost of living will mean that wages in general can and should be kept at existing scales.

In his radio broadcast of the same week the President said:

Do you work for wages? You will have to forego higher wages for your particular job for the duration of the war. Wages in general can and should be kept at existing scales.

If I correctly understand the able junior Senator from Minnesota, he is suggesting that Congress practice what the President preaches. Is that correct?

Mr. BALL. That is absolutely correct. I think we owe it to the country to do so. The people of the United States are perfectly willing to undertake to make any sacrifices necessary to be made in order to win the war, but they want the assurance from Congress that their sacrifices are to be shared equally by every group in America. I do not think they have confidence today that that will be done.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, I shall take but a few minutes in the discussion of the pending amendment. Of course, I appreciate the sincerity of the Senator from Minnesota in offering his amendment, but I think it injects an element into the provisions of the joint resolution which would be difficult to enforce and which would produce confusion in the administration of the proposed act. Under the terms of the joint resolution as it has been perfected up to now the President would have the authority to stabilize wages and prices.

In advance, I desire to say that the Senator from Minnesota is not quite accurate in stating that the amendment was tentatively agreed to in the committee. What happened was that a number of amendments or suggestions were brought before the committee and discussed, and the amendment which the Senator has offered had not been reduced to writing at the time the committee adjourned, and it was understood that it could be and would be reduced to writing by the Senator and printed in the bill in italics so that we would have it before us the next day. The next day, when we had it before us and considered it, it was defeated, as the Senator stated, by a vote of 12 to 7. It had not been tentatively agreed to when it was printed in italics in the joint resolution.

Mr. BALL. It is just a question of interpretation.

Mr. BARKLEY. Very well. This is a rather awkward amendment. It starts out by saying:

Except as hereinafter provided, no employer shall increase the salary or the straight-time hourly wage rate of any of his employees unless such increase has been approved by the President or such agency as he may designate to administer this subsection.

That is in effect a repetition of what the joint resolution already provides, because these stabilizations must be approved by the President of the United States. The amendment then provides that he shall not approve any such increase except under four separate conditions, which are set out in the negative:

No increase in salaries or in straight-time hourly wage rates above those being paid by the employer for the same general work on September 15, 1942, shall be so approved unless such increase (1) does not raise such salaries or straight-time hourly wage rates more than 15 percent above the average salaries or straight-time hourly wage rates for the same general work prevailing in the affected industry on January 1, 1941.

In addition to the effort of the Senator to fix a limitation by law beyond which no increase in wages can go, I think it would operate as an invitation to all those who have not had any 15-percent increase to make application at once, because it would be regarded as a congressional sanction for an increase of 15 percent.

The Little Steel formula, which has been worked out by the War Labor Board, was based upon wages which existed on January 1, 1941, and in view of the estimated increase in the cost of living by 15 percent, at the time that formula was written, the Board adopted 15 percent. Of course, since that time the cost of living has gone up to 19 percent; but that was not taken into consideration, and is not now being taken into consideration, in determining the 15 percent.

For this reason I think the War Labor Board or the President himself would find difficulty in administering these rather complicated provisions of the amendment. I think that if we in the law set the 15 percent limitation as the ceiling, we automatically invite all those who have not yet received the 15 percent increase to come in and ask for it.

Mr. BALL. Will the Senator yield?

Mr. BARKLEY. We do not have to look after the interest of those people by fixing the ceiling, and we do not have to invite them to make an application. They are qualified to take care of themselves, and whenever they think they are entitled to an increase, they can apply for it. We do not have to put into the law an inferential invitation for them to do so. I now yield to the Senator from Minnesota.

Mr. BALL. Does the Senator recall that chairman Davis, of the War Labor Board, in testifying before the committee, said that when the War Labor Board fixed the formula, three-fourths of all employees had already received the 15 percent, and that since the Board had been operating under the formula, half the remaining fourth have received it?

That does not leave very many who are out of it.

Mr. BARKLEY. He was referring, of course, to those whose cases had been before the War Labor Board.

Mr. BALL. He was referring to all manufacturing industries.

Mr. BARKLEY. The Board does not have jurisdiction over labor rates unless a case is brought before them. They do not have any jurisdiction to go out and cruise around over the labor field. They are like courts in that cases have to be brought to them before they can pass upon them.

Mr. BALL. I remember inquiring of Mr. Davis as to that, and he was referring to all manufacturing industry, not merely to cases brought before the Board.

Mr. BARKLEY. Even if that be true, he was referring to manufacturing industries in which there are organizations of workers who have, through collective bargaining, worked out their rates of pay, and, where they have not been able to agree, they have come to the War Labor Board. But, as I stated a few days ago, among all the 50,000,000 wage earners of this country, there are only about 12,000,000 who are organized, or belong to any labor organization. There are about 38,000,000 workers in all branches, such as clerks in dry-goods stores, grocery stores, laundry workers, and many other classes of employees, who do not belong to any organization. Therefore, while they legally have the right of collective bargaining, they do not actually enjoy it, because they have no agency through which they can exercise it.

The amendment provides:

This subsection shall not apply in the case of (1) any salary increase which does not increase the salary of the affected employee to an amount in excess of \$5,000 per annum.

So in determining whether the President, in putting a ceiling on wages and salaries, may exercise the authority conferred by the amendment, a line is being drawn between those who receive less than \$5,000 and those who receive more.

I do not wish to go into the different theories by which we are dealing with wages and prices, because that has been a controversial matter during all the time we have had the joint resolution before us for consideration. However, we have not put a ceiling on agriculture, as the Senator from Minnesota has said. We have provided that no ceiling can be put on agriculture that is under limits which we have set. The administration cannot go below that floor, but they can go as high as they wish. We have not put a floor under any wages in any law which we have enacted.

The proposed amendment seeks to put a ceiling not only on wages and salaries, in instances where employees draw less than \$5,000, but where the rate is 60 cents an hour, which is \$6 a day for 10 hours, or \$4.80 for an 8-hour day, the President is, by the rather round about way, negative way, in which the amendment is drawn, limited in his power even to approve an increase in wages agreed to by an employer who would raise the pay above \$4.80 a day for an 8-hour day, or \$6 a day for a 10-hour day.

It seems to me that, in addition to bringing in the element of confusion, not only so far as the President is concerned, but as applying to the War Labor Board as well, and adding to the difficulty of administration, the amendment would open the way by which those who have not made application for an increase in wages might look at the law and say, "This is what Congress has said about it; they have said by indirection, at least, that we are entitled to a 15-percent raise in our wages and salaries, and therefore we will proceed to see if we cannot obtain it."

It seems to me we have amply taken care of both the labor situation and the price situation in the joint resolution, and that the amendment should not be agreed to.

THE VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. BALL]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. McNARY (when Mr. AUSTIN's name was called). The senior Senator from Vermont [Mr. AUSTIN] is necessarily absent. He is paired on this question with the Senator from Pennsylvania [Mr. GUFFEY], who, if present, I am advised, would vote "nay." If present, the Senator from Vermont would vote "yea."

Mr. WAGNER (when his name was called). I have a general pair with the Senator from Kansas [Mr. REED]. I transfer that pair to the Senator from West Virginia [Mr. KILGORE] and will vote. I vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Missouri [Mr. TRUMAN] and will vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] is necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY], the Senator from Nevada [Mr. McCARRAN], the Senator from Missouri [Mr. TRUMAN], and the Senator from Maryland [Mr. TYDINGS], are absent on important public business.

The Senator from West Virginia [Mr. KILGORE] is absent on official business in connection with the Committee to Investigate National Defense.

Mr. McNARY. I announce that the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The Senator from Maine [Mr. BREWSTER] is absent on business of the Senate in connection with the work of the Truman committee.

The Senator from New Hampshire [Mr. TOBEY] has been called from the Chamber necessarily.

The vote was announced—yeas 12, nays 69, as follows:

YEAS—12

Ball	Byrd	Thomas, Idaho
Barbour	Holman	Vandenberg
Furton	Millikin	White
Butler	Taft	Willis

NAYS—69

Aiken	Gerry	O'Daniel
Andrews	Gillette	O'Mahoney
Bailey	Green	Overton
Bankhead	Hatch	Pepper
Barkley	Hayden	Radcliffe
Bilbo	Herring	Reynolds
Bone	Hill	Rosier
Brooks	Johnson, Colo.	Russell
Brown	La Follette	Schwartz
Bunker	Langer	Shipstead
Capper	Lee	Smathers
Caraway	Lodge	Smith
Chandler	Lucas	Spencer
Chavez	McFarland	Stewart
Clark, Idaho	McKellar	Thomas, Okla.
Clark, Mo.	McNary	Thomas, Utah
Connally	Maloney	Tunnell
Dannaher	Maybank	Van Nuys
Davis	Mead	Wagner
Downey	Murdoch	Wallgren
Doxey	Murray	Walsh
Ellender	Norris	Wheeler
George	Nye	Wiley

NOT VOTING—15

Austin	Guffey	McCarran
Brewster	Gurney	Reed
Bridges	Hughes	Tobey
Bulow	Johnson, Calif.	Truman
Glass	Kilgore	Tydings

So Mr. BALL's amendment was rejected.

Mr. CLARK of Missouri. Mr. President, I call up an amendment in the nature of a substitute, which has been printed and is on the desk, and ask that it be stated.

THE VICE PRESIDENT. The amendment will be stated.

THE LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and to insert in lieu thereof the following:

That in order to aid in the effective prosecution of the war, the President is authorized and directed on or before November 1, 1942, notwithstanding the provisions of any other act, to issue a general order stabilizing prices, wages, and salaries affecting the cost of living, and such stabilization shall be on the highest levels which existed between January 1 and September 15, 1942.

SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this joint resolution, and may exercise any power or authority conferred upon him by this joint resolution through such department, agency, or officer as he shall direct.

SEC. 3. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

(b) Any person who willfully violates any regulation promulgated by the President under this joint resolution relating to wages or salaries shall, upon conviction thereof, be fined not more than \$1,000.

SEC. 4. The provisions of this joint resolution, and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

Mr. CLARK of Missouri. Mr. President, in view of the spectacle which has been presented to the country in the past 2 days by the United States Senate, when yesterday afternoon it marched bravely up the hill, banners shining, bands playing, and flags flying, and today, with the same panoply and cere-

mony, marched bravely back down the hill, I have no illusions as to the fate of the substitute which I have offered. Nevertheless, I desire briefly to explain the views which I entertain as to this legislation, and to tell a few plain truths, unpalatable though they may be to some of my colleagues.

The dangers which are inherent in unrestrained inflation have not been overstated by the President. It is not too much to say that these dangers can scarcely be exaggerated by anyone.

Last January, with the best of intentions, the Congress passed and the President signed a price-control bill which I considered then and denominated on this floor as a miserable makeshift, certain to prove woefully inadequate as a check upon inflation, certain to so speedily demonstrate its own weakness and inefficiency as to make inevitable an imperious demand for more comprehensive and stringent measures. That this conclusion was correct has been completely demonstrated by subsequent events, by the language of the President's Labor Day message, and by the course of the debate in this body upon the pending measure. I greatly fear, Mr. President, that the pending measure in its present form contains within itself many of the same seeds of inevitable failure which led to the futility of the existing law.

The Senator from Michigan himself did not believe that the bill which we passed last January was a perfect measure, and frankly so stated on the floor of the Senate, but he believed that it was the best which could be obtained at that time. At that time I very reluctantly followed his leadership and voted for the bill.

I was one of the Senators to whom the Senator from Michigan showed his formula for the present measure before he set out upon its actual preparation. I wholeheartedly approved that formula, as did nearly everyone else to whom he showed it. But, Mr. President, the joint resolution, as it emerged from the vicissitudes of the committee, bears only a faint and most repellent likeness to the formula with which the Senator from Michigan started. Instead of boldly striking at the very heart of inflation by fixing prices, wages, and salaries by legislative enactment, it launches upon new grants of power and sets up new discretionary controls with the probability of divergent and contradictory policies by the various administrators and agencies who will be delegated to exercise these vast discretionary powers, with results which are likely to mean confusion worse confounded.

I believe that the substitute which I am proposing is much more nearly akin to the original formula of the Senator from Michigan than is the joint resolution as it was reported from the committee. I believe that the time has come at long last in this great emergency for the Congress of the United States to rise to its great responsibility and deal with the deadly menace of inflation by legislative enactment rather than by craven shifting of our responsibility to administrators—for we all know that the President, with his multitudinous responsibilities, cannot handle these matters

personally, but must do so through appointive agencies.

Mr. President, I do not wish to bore the Senate with quotations from my own speeches, but I believe that I can most briefly explain my views upon the pending measure by a short quotation from some remarks which I made at the time of the passage of the existing law.

At the time of the adoption of the conference report upon the price-fixing bill on January 27, 1942, I said:

I intend to vote for this conference report, but not because I believe it is a good bill. I think it is a bad bill; I think it is an improvident bill; I think it is an incomplete bill. I think it is a bill which is so incomplete that it will almost immediately demonstrate the necessity, the imperative necessity, for its amendment.

I intend to vote for the conference report because I believe it is the best that can be done at this particular moment, and I believe that Congress has already dawdled in the passage of this very important measure altogether too long. I had rather vote for a bill—incomplete as this bill is, imperfect as it is, certain as I believe it to be that it will prove inadequate—which enables the Price Administrator at least to set up his machinery under some semblance of law, than to send the bill back to conference and start it back through the legislative mill of consideration by the two Houses, and compel the Price Administrator, or whatever other authority the President may designate, to continue to operate under no authority of law whatever.

It seems to me to be so plain as to be undeniable that the only possible way by which inflation can be controlled or curbed is by an over-all control, a control which would take into consideration all the various elements going into our economic and price structure; and when I say that I include wages, commodity prices, industrial prices, transportation, rent—all the other elements which go to make up prices.

I think that sooner or later—and heaven knows how much the penalty may be to the people of the United States by reason of the delay—the Congress will have to face its responsibility of saying that we shall start out, not with piecemeal regulation, not regulation of one industry at a time, not regulation of one commodity price at a time, but start out by having the courage and the industry to set up a parity for agricultural commodities, for wages, including agricultural wages, for rents, and for every other economic interest which goes into our whole structure, and then by giving the Price Administrator the authority to take into consideration unusual circumstances in any particular industry, and make an exception to whatever extent may be necessary.

I shall, therefore, vote for the conference report, not because I believe, with the majority leader, that is a good bill, but because I believe more harm would be done through delay in setting up the legal machinery for price control than will be done through the inequalities of the bill which we are about to enact. But I predict now that it will be necessary to come back in the very near future and undo the work which we have been doing for the last 6 months, and in which we have been dawdling along, while the inflationary curve has been rising constantly, and we have been failing to look the situation in the face and impose over-all control.

Mr. President, I make no pretense to being a prophet or the son of a prophet; but it is a melancholy and undeniable fact that this prediction has come true, and that for many months inflation has been gaining headway by reason of the

very deficiencies of the act of which I then complained.

Let me for a moment discuss the background of the Price Fixing Act of January, 1942. It is necessary to an understanding of the present situation.

That act came to us as an administration measure. I was one of those who was opposed to the provision for 110 percent of parity in the existing law, because I was opposed to the thing which made 110 percent of parity possible and necessary. That was the omission or exclusion of any control of wages and other elements of the price structure.

Both the 110 percent of parity and the omission of wage controls were actively supported by the administration leaders. The Senator from Kentucky the other day in a colloquy with the Senator from Wyoming raised some questions as to the President's attitude about exclusion of wage controls. He said the President never said that he was opposed to wage control. Well, I don't remember to have ever heard any direct public expression from the President, but I do know that Mr. Henderson, Mr. Ginsburg, and other administration officials were active in the preparation of the bill, and that numerous Cabinet officers and other administration officials were busy lobbying for it. I know the opinion that Mr. Henderson gave in his appearance before the committee; he spoke in favor of providing for 110 percent of parity, and for the exclusion of wage control. A whole battalion surrounded the Capitol with ranks closed up and serried.

I know that I heard the majority leader, the Senator from Kentucky [Mr. BARKLEY], stand on this floor and argue eloquently against any wage control. I know that Speaker RAYBURN and House majority leader McCORMACK took the same position.

Abraham Lincoln, in speaking of the Dred Scott decision, once said that if a stranger traveling through a vast forest saw in widely separated parts of the forest, apparently unconnected and unknown to each other, James and Franklin and Stephen and Roger busily at work cutting down trees and hewing out timbers and shingles for a house, and if at the conclusion of their work the products of their labors were assembled at some central place, and if it were found that the timbers and joists and other parts fitted exactly for the erection of a splendid edifice, then reasonable men would conclude that James and Franklin and Stephen and Roger were acting in pursuance of some prearranged plan.

So, Mr. President, when we have observed Alben and Leon and Sam and John busily engaged in keeping out wage controls, and putting in 110 percent of parity, reasonable men will conclude that Alben and Leon and Sam and John were working in pursuance of a program sanctioned and supported by the administration. [Laughter.] So much for the existing law.

So we got the misshapen measure sponsored by these distinguished statesmen. Almost at once it began to demonstrate its lopsided, ineffectual structure. For 8 months it has continued while the inflation spiral has continued. Prac-

tically all are now agreed that legislation should now be enacted to do what we should have done last January. Exactly how much damage has been done in the past 8 months by the deficiencies of the existing law it is impossible to estimate. Certainly it is huge. But what is lost is lost. It can never be regained. The only thing we can do now is to put out the fire, call the dog, and move on to other camps. But the vital, the all important, the imperative thing is that we should not repeat the tragic mistakes we made in the act of January 1942.

The pending bill as it stands presents another whomper-jawed, lopsided, cross-eyed picture. It starts out bravely by providing for stabilization of prices, wages, and salaries on the basis of the levels which existed on September 15, 1942, but immediately that definite direction for stabilization is vitally impaired by the introduction of the weasel words "as far as practical," and then it proceeds to destroy the whole effect of the direction by the inclusion of general discretionary powers for the President, which, of course, means for the various administrators and agencies to adjust prices, wages, and salaries whenever the administrators in their discretion may deem that the formula prescribed by the Congress works "gross inequities," or whenever the administrators in their discretion think that changes are necessary to aid the effective prosecution of the war.

Here we have purely discretionary powers, and we shall have results varying in accordance with the views, tastes, and capacities of various administrators.

It is all very well to speak of granting these discretionary powers to the President of the United States. He is our undisputed leader in this great emergency. As our Commander in Chief he is entitled to and is receiving and will continue to receive the loyalty and devotion of a militant and united people. But we all know as a practical matter that the President cannot take upon himself the burdens of administering the discretion delegated in this bill involving, as it does, matters so vast and yet also matter so minute. He is the busiest man in the world. As Commander in Chief conducting a war around the world his responsibilities are greater and more diverse than those of any man in the world. Indeed, both the committee bill and my substitute make provision authorizing the President to delegate his powers under the bill to administrators or agents.

What, then, is the practical situation? We have one set of standards for prices and another set of standards for wages and salaries. We all know that in all human probability the discretion as to fixing prices will be vested in the Price Administrator, Mr. Leon Henderson, notably hostile to agriculture—and I use the term "hostile" in no invidious sense. Mr. Henderson is able, conscientious, and patriotic; a man of fixed ideas. I mean no reflection upon his character or his integrity when I say that so far as the purposes of the pending measure are concerned his attitude is one of hostility to agriculture. On the other hand, the discretion as to wages and salaries will in all

probability be turned over to the War Labor Board, already committed to the principle of wage increases, at least to the extent of 15 percent. With Mr. Henderson going in one direction as to agricultural prices, and with the War Labor Board going in the other, with Henderson pushing down and with the War Labor Board lifting up, we should have almost a certainty of more confusion and more turmoil—yes; and more dangerous dissension and inflation—than we have ever had before.

It was by reason of this prospective divided discretion that I unhesitatingly cast my vote yesterday for the Thomas amendment. If prices and wages are not to be fixed by legislative act at given levels, if they are to be left to the discretion of conflicting and contradictory agencies, then I believe that it is of the most vital importance that a specific limitation be inserted giving the farmer credit for his labor costs if a terrific shortage of agricultural commodities is to be averted—in other words, provisions similar to those of the Thomas-Hatch amendment. I was, I believe, the first Senator on this floor to call attention to the desperate situation which was likely to develop as to farm labor between the exactions of selective service on the one hand and the impossible competition of munitions factories on the other.

I voted against the Barkley-O'Mahoney-Tydings-Reed so-called compromise because I did not regard it as a compromise at all, except insofar as it would have compromised those who voted for it if it had been submitted. So far as the farmer is concerned, under the so-called compromise he would be in the same plight as the Indian who went out hunting with a white man. They hunted all day, but the only game they secured was a turkey and a buzzard. In the evening the white man said to the Indian: "Now, we ought to divide the game on some equitable basis, and I'll give you the choice. Either I'll take the turkey and you take the buzzard, or you take the buzzard and I'll take the turkey." The Indian looked way off and said, "Hell, he ain't said turkey to me yet." That is as it would have been with the farmer under the provisions of the original Barkley amendment, proposed by the majority leader, and the coterie whom I presume he represented.

Mr. President, I presume the modifications which were made here this morning—almost by unanimous consent, I am sorry to say—somewhat improved the vices of the original formula, at least to a face-saving degree, let us say. We have the result now, under the provision which has been adopted by the Senate, that the farmers will be denounced from coast to coast by the kept metropolitan newspapers and kept radio commentators as having gotten away with a steal, but in actual effect, when turned over to the tender mercies of Mr. Henderson, the farmer will get very little more than he would have gotten under the original iniquitous Barkley compromise, which was worse than nothing.

Mr. President, the substitute which I have proposed provides for stopping in-

flation by legislative enactment. It gets completely away from these dangerous, complicating, divergent discretions certain to be the seat of so much bitterness and turmoil. It is so simple that every man, woman, and child in the United States can understand it. It is as certain in its effects on inflation as the law of gravity.

Its adoption would mean that the Congress of the United States had risen to its great responsibility by grappling with the monster of inflation itself rather than passing the buck to administrative agencies.

The whole gist of the substitute is contained in one sentence:

That in order to aid in the effective prosecution of the war, the President is authorized and directed on or before November 1, 1942, notwithstanding the provisions of any other act, to issue a general order stabilizing prices, wages, and salaries affecting the cost of living, and such stabilization shall be on the highest levels which existed between January 1, 1942, and September 15, 1942.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. O'MAHONEY. Let me ask the Senator what the phrase "affecting the cost of living" means.

Mr. CLARK of Missouri. The Senator will have to ask the Senator from Michigan. I copied that from the committee formula.

Mr. O'MAHONEY. I was asking the Senator.

Mr. CLARK of Missouri. The Senator has been supporting the committee formula. He should know the answer to his question. I was very dubious about quoting those words, but I wanted to conform the amendment as closely as possible to the language of the committee proposal. The Senator is one of the sponsors of the committee measure, and he should be able to explain that phrase better than I can.

Mr. O'MAHONEY. The Senator is proposing a substitute, which, I am frank to say to him, comes closer to meeting the formula which I have always urged in this body and elsewhere, than any other that has been presented.

Mr. CLARK of Missouri. I say very frankly to the Senator from Wyoming that I only included that provision because it was in the committee draft. I regard it as surplusage, because I consider that practically all prices and wages affect the cost of living for the American people, even if they are infinitesimal.

Mr. O'MAHONEY. I suggest to the Senator from Missouri that he improve his proposal by striking out that qualifying phrase.

Mr. CLARK of Missouri. If I thought I could gain the support of such an ably as the Senator from Wyoming by so doing, I should certainly do it.

Mr. O'MAHONEY. The Senator might gain my support. Will the Senator modify his amendment to that extent?

Mr. BARKLEY. Is this an exercise of collective bargaining here on the floor of the Senate? [Laughter.]

Mr. CLARK of Missouri. So far as I am concerned, I say very frankly that

I regard the language as surplusage, and therefore would be glad to strike it out.

Mr. President, my proposal is a simple, understandable legislative enactment to stop inflation by freezing prices, wages, and salaries at the highest level between January 1, 1942, and September 15, 1942. It gets away from the system of competitive discretions whose effect will be to continue the dangerous spiral of inflation which we all dread so much. It will obviate the necessity for farmers to come to Washington with their hats in their hands to Mr. Henderson to ask for some counterweight to some increase in wages which has been granted by the War Labor Board in its discretion, and for laborers or salaried people to come here to do obeisance to the War Labor Board and ask for some offset to some increase in the cost of living which has been granted by Mr. Henderson in his discretion. One of the greatest boons which could be bestowed upon the American people in these troublous times would be certainly, and that is accomplished by the substitute.

I would be the last to deny that by this formula for freezing prices and wages some inequity will be done. Some inequity will be done by any formula which may be adopted, and I submit that less will be done by the formula of this substitute than by any other. If agriculture, industry, and labor are treated alike, none can justly complain. Certainly the consumer will benefit to a far greater extent than by any other formula. Inflation will be more certainly stopped in its tracks than by any system of discretionary controls.

Mr. President, it is not a pleasant task for any of us to stop rises in either prices or wages. Most of us have labored for years, in peacetime, to bring about increases in both wages and prices. But these are not normal times. Due to the war, all our economy is in the highest degree abnormal. Should we permit inflation to reach its dread potentialities, then higher wages will be of no use to the wage earner, and higher prices will be of no use to the producers. All will be sunk together, and our whole economy will be destroyed.

The substitute which I have proposed is fair to all because it treats all alike. It selects the highest prices and wages at the highest point they have reached in an extended period of several months, and then it defeats inflation by freezing them there. It relieves us from the danger that little increases on one side and little increases on the other side will destroy the equilibrium and endanger the whole system of price and wage control.

Mr. President, I think it can scarcely be denied that we have failed miserably in our first attempt to control inflation through the price control law we passed in January. The President and the Congress must share in the responsibility for that dismal failure to enact over-all control at that time. We must not fail again. I urge with every bit of earnestness in my being that we avert that catastrophe by legislating for price fixing that will stop inflation in its tracks. Most of all I urge that the Congress assert its authority, perform its duty, and

maintain its dignity, by legislating, rather than by shifting its own high responsibilities to administration agencies.

Mr. GEORGE. Mr. President, I do not intend to indulge in any extended remarks, but I wish to make a brief statement. I am very strongly inclined to vote for the substitute presented by the Senator from Missouri [Mr. CLARK] because it is a direct approach to a stubborn situation.

I am very glad to be able to vote either for the substitute offered by the Senator from Missouri [Mr. CLARK] or the joint resolution reported by the committee, which has been before the Senate for some days.

Mr. President, I think it is a very happy circumstance that the President did not follow the advice—if he received such advice—from high officials in the Government, who are said to have stated to him that he had the authority, as Commander in Chief, or under the Second War Powers Act, or under any other act, to fix prices and fix wages. The President at least was wise enough not to follow that advice. I should be unwilling to vote for any measure without making the very frank statement that, in my humble opinion, there is no possible authority and power in the President, under the American Constitution, to set aside deliberate acts of the Congress, which he himself has approved, unless the Congress itself gives him such power. I do not care to labor the point, but I am very glad the President brought the issue to the Congress, and I am very happy that he was wise enough not to follow the suggestion, if such suggestion or advice came to him from any quarter. I congratulate the majority leader on the straightforward statement he made yesterday in the debate here that he had advised against such a course.

Mr. President, when the original price control measure was before the Senate I did not speak at length on it, but I expressed doubt and serious misgiving that it would accomplish the purposes intended. I know that I, as well as other Senators on this floor, raised the question that there was in it no control of wages, nor were any effective steps taken in the enactment of the measure to stabilize wages. I said a little while ago in discussing the amendment of the Senator from California, that such inflation as we now have in this country had its genesis when unemployment began to disappear, after the outbreak of the war in Europe, with the tremendous demand upon our industries to supply war materials to European countries. It became especially marked as soon as wages began to rise. I refer to factory or industrial wages.

Mr. President, I regret to say so, but it is a fact, and nothing now can be gained by withholding a straightforward statement of fact, that no effective step was taken by this Government to check or to stabilize the rapidly rising level of industrial wages.

There were two initial causes for the inflation. It may be that rising farm prices had something to do with it—and they did have something to do with it—

but they were not one of the initial causes. One initial cause was the absorption of the unemployed, with the rapidly rising and unchecked and uncontrolled wage levels in this country. There was another cause. Without very much knowledge of what we had on hand in the way of raw and strategic materials, and without a very intelligent effort to determine what we had on hand, and what capacity we had for replacing it when it was gone, we entered upon a program of allocation of everything that was needed for war purposes.

Of course, that was unavoidable, and no one complains about it. But there should have been an allocation between essential and irreducible civilian needs and necessities, and war needs, with the emphasis always on the war needs.

So certain conditions have developed, and I regret to say that in my opinion the joint resolution will not stop inflation, because the conditions are already here; they are already in existence. The passage of the joint resolution will not change them.

Mr. President, in the first place, if I have the correct information—I do not know with certainty, but apparently it is what we may expect—one agency is going to administer price ceilings on agricultural products, and another agency is going to administer ceilings on wages. Mr. President, it will not work, and—

Faithful are the wounds of a friend—

The President of the United States ought to know from the Congress that that program will not work.

One agency may fix the ceilings on agricultural products; another agency may attempt to regulate wages; but what are the conditions? There was no allocation between civilian needs, no intelligent, well-planned, well-directed allocation, with the result that the volume of consumer goods is rapidly declining. If they go into places of business in January next and take an inventory of the goods on hand the American people will be surprised at the tremendous shrinkage they will find in the inventory on all the counters, on all the shelves, and the goods will not be available to replace them.

Assuming that the price of agricultural commodities will be frozen as of the level of today, and assuming that wages will be frozen as of the level of today, both at the same moment, what will the condition be? There is already in the hands of the people in the United States a consuming power—and I include all of us who will spend it—of at least \$19,000,000,000, and it may run as high as thirty-odd-billion dollars. It is impossible merely by freezing the cost of commodities, including agricultural products, and of now stopping increases in wages, to avoid some inflation, because those who are in charge of our war program are properly diverting more and more and more raw materials to war purposes. That is unavoidable. We might as well face the fact. So many sources of raw materials have been cut off from us, which we did not anticipate, and could not have anticipated—it was unavoid-

able—that fewer and fewer consumer goods will be made. The wage levels are already so high that annually from twenty to thirty or thirty-five billion dollars of purchasing power, consumer buying power, will pass into the hands of the American people.

So this measure cannot stop inflation, because the conditions which create inflation are present. It may be that we can do something with it in the tax bill; but if we do anything in the tax bill, Mr. President, we must drive directly at the seat of the consumer buying power. It will not do any good to crucify corporations, thinking that that will stop inflation. Corporations do not spend money for consumer goods. They spend for production. Their total expenditures for consumer goods are negligible. It is the individuals in the United States—you and I—who spend money for consumer goods. Flowing into our hands already, with wages frozen as of this moment, is a possible purchasing power which will constantly press against all the ceilings which we can place on prices. With a tax bill which will reach the consumer purchasing power, and with this measure, we may be able to meet the situation. If we do not stop altogether the rising costs of living, or inflation, we may be able to check them in a degree, control them, and hold them. That would be a very happy result if it could be attained.

Mr. President, unless the Treasury is willing to reach the consumer buying power, more high and burdensome taxes on other groups and on organizations which do not purchase consumer goods will not very greatly aid us in the solution of this problem.

Of course, I shall support the measure worked out by the committee. I may vote for the substitute offered by the Senator from Missouri [Mr. CLARK], because it is a direct approach to the problem, and it seems to leave these questions outside the hands of agencies which may be working with the utmost good faith to accomplish the same end; but nevertheless they will be working in their way, and according to their own methods, and they may not always arrive at the same end. If the Senator from Missouri calls for a vote on his amendment, I shall vote for the substitute offered by him.

I shall vote for the committee measure, because I think it has a great deal of virtue in it. As I said before, it will not stop inflation. It cannot stop inflation, because it cannot eliminate the conditions which now exist. At best, coupled with other things which must be done—and must be done with a great deal of courage and without regard to personal consequences—it may serve to hold the inflationary movement in check.

Mr. President, I have no more right to speak for the American farmer than has any other Senator, and have never asserted such a right; but the American farmer has been troubled about this measure, not so much because the intelligent farmer desires to secure a further boost in his prices, except for the single purpose of enabling him to meet increasing costs which fall on him every day,

but because he does not think that the Congress means, or that the Government intends, to check and stabilize wages. I am making no attack on labor, any more than other Members of the Senate who have spoken against the proposals offered on behalf of the farmers have made attacks on farmers. We are merely dealing with facts. Increased wages are worth nothing to American labor if the rapidly rising costs of living absorb and destroy all the wages which come in and all the savings which are on hand. Labor can be destroyed in that way as quickly as in any other conceivable way. Indeed, that is the way in which we can conceive of the utter and complete destruction of labor, the farmer, and all of us, in the quickest possible time.

We might as well deal frankly with one another; and we might as well say to labor that if wages are not checked, if steps are not taken which will reach the source of the income already guaranteed under the levels reached by factory wages, inflation will not be stopped. In my opinion, such wages will not be reduced. It would be a most difficult task to bring about a reduction in wages when once wages have reached a certain level. I do not know that anyone would contemplate such an effort. I am sure that no one could think that such an effort would succeed or should succeed, so far as direct action of the Government is concerned. However, we must reach the consumer buying power in a quick step after the passage of the tax bill, which should be before the Senate next week, and add the influence of an additional tax measure and the influence of this proposal, which will be adopted if we expect to accomplish anything with the problem which now confronts us.

Mr. President, I said that the Treasury would have to go in a direction in which it has not wished to go. When all is said and done, when we have exhausted the final effort, we can reach the great consumer buying power due to tremendous increases in wages by only two taxing methods. There may be variations of them, and they may be called by various names. One is a gross income tax reaching very close to the bottom, if not to the bottom. The other is a sales tax of consequence. If the Treasury of the United States is not willing to go in one or the other of those directions, it does not matter how high we may pile the taxes upon individuals who now have savings, or on corporations, we shall not reach the vast reservoir of consumer buying power. So long as that reservoir stands at its present level there is not only the threat of inflation, but there is a constant pressure upon existing conditions which no regulations which we can impose on further rises in wages or farm prices can possibly solve.

Mr. LEE. Mr. President, will the Senator yield before he takes his seat?

Mr. GEORGE. I am glad to yield.

Mr. LEE. Does not the Senator feel that, in addition to the methods suggested by him, a compulsory purchase of war bonds, sometimes called forced savings, and sometimes called draft dollars, would relieve the pressure from the

standpoint of inflation, and also help to finance the war?

Mr. GEORGE. Undoubtedly so, if it moved in the direction I have indicated, into the reservoir of individual consumer purchasing power. However, it does not move there. It will not do so. It will simply reduce the savings of people who already have them—earnings and savings and accumulations of partnerships, firms, and corporations which may be making profits at this time.

Mr. McKELLAR. Mr. President, I have not discussed the pending measure, and I do not intend to discuss it at this late hour. I desire to have a word to say about the vote which I expect to cast on the pending substitute. The President has advised us of inflation; he has emphasized our duty to stop inflation. I agree with him entirely as to its danger; and if he had not advised us of it, its danger is apparent to us all. The President has asked Congress to pass a measure to prevent inflation so far as it is possible to prevent it. It is the duty of the Congress to act, and to act effectively. In my humble judgment the substitute which has been offered by the senior Senator from Missouri [Mr. CLARK] would come nearer stopping inflation than would any bill, amendment, or substitute which has been proposed. Therefore, I believe it is my duty to vote for the Clark substitute. I shall vote for it. I believe it is the best way to stop inflation. I said more than a year ago that the Congress should fix an over-all ceiling. I repeat it now. It would have been better if we had done so a year ago.

We must stop inflation, and the best and quickest way to do it is for Congress to go at the task directly, and to stop inflation at present levels. For that reason I shall vote for the substitute of the Senator from Missouri.

Mr. CLARK of Missouri. Mr. President, I modify my substitute by, in line 5, striking out the words "affecting the cost of living."

I ask for the yeas and nays on my substitute.

The yeas and nays were ordered.

Mr. O'MAHONEY. Mr. President, in announcing my intention to vote for the substitute offered by the Senator from Missouri, I desire merely to comment that I am in entire accord with the opinion expressed by him, with that expressed just now by the Senator from Georgia [Mr. GEORGE], and with that expressed by the Senator from Tennessee [Mr. McKELLAR], that the only way to control inflation is to freeze all the elements which go into the cost of the materials that are in the economic structure.

I think the debate which has occurred has given altogether too much emphasis to the part that agriculture and agricultural commodities play in the problem.

Mr. President, the plain facts are that the cost of agricultural commodities is only a drop in the bucket. If all agricultural commodities which are expected to be grown in the United States during the year 1942 were to be sold at the highest prices established by law or reached upon the market, the entire value of all the crops would not exceed \$14,000,000.—

000. Government expenditures—and I say this upon the authority of the Federal Reserve Board, as published in the Federal Reserve Bulletin—are now being made at the rate of \$6,000,000,000 a month. In other words, the total governmental expenditures for 3 months exceed by \$4,000,000,000 the value of all agricultural commodities grown or expected to be grown in the United States in 1942.

So agriculture is not and cannot be the cause of inflation. As was so well stated by the Senator from Georgia, the cause of inflation is to be found in the huge expenditures which the Government must make, and in the rising prices and costs which the Government has found itself obliged to pay.

Mr. President, I shall merely make this remark: Since it is acknowledged by every economist and every observer that the danger of inflation comes from governmental spending, the cure is immediately obvious. Within the power of the Government lies the remedy for the disease with which we are said to be afflicted. The Government, through the War Department, the Navy Department, and all the other departments which conduct spending, can write the contracts in such a manner as to hold down the expenditures. So, Mr. President, we do not have to have inflation.

In dealing with the problem of preventing inflation we have been confronted with two conflicting theories. The theory which we have followed has been the selective theory. It has been considered that it would be possible to set up a bureau and to clothe it with the power to exercise discretion, to make changes and allowances, to fix ceilings, and to increase wages and prices.

The other theory—the theory which seems to me to be the only sound one—is the one which is reflected in the substitute offered by the senior Senator from Missouri [Mr. CLARK], namely, by legislative decree to direct the President to freeze all costs.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. TAFT. I do not understand why the substitute proposed by the Senator from Missouri would freeze costs by legislative decree any more than that would be done by the original joint resolution. The substitute offered by the Senator from Missouri would freeze all costs as of a certain date, as would be done by the existing joint resolution. In addition, the substitute of the Senator from Missouri would give the President the power to change prices and wages in any way he might choose to do. The original joint resolution would do the same thing. The substitute of the Senator from Missouri would do no more in that respect than would be done by the original joint resolution, it seems to me.

Mr. O'MAHONEY. Mr. President, I did not intend to launch upon a debate at this late hour. I merely rose in order that the RECORD might show that the Members of the Senate comprehend the difference between the two theories. I disagree with the Senator from Ohio, but

I do not wish to enter into a debate upon the matter at this time.

It was merely my desire to add a further comment. It seems to me that perhaps the outlook is not altogether so dangerous as some of us have been led to believe, not so dangerous as some of us have pictured it, because the latest Federal Reserve bulletin indicates that the people of the United States are now saving money at the rate of \$17,000,000,000 a year. In other words, if the Federal Reserve Board's economists are correct, the people of the United States today are saving more money, by \$3,000,000,000, than the value of all agricultural commodities produced or to be produced in the United States this year.

Mr. BANKHEAD. Mr. President, I wish to call attention to the fact that if this amendment shall be agreed to it will remove a good many advantages which would be given to the farmers under the original Senate joint resolution. As I understand, it seals prices at the high point of commodities from January 1 to September 15. That would be all right if all the agricultural commodities had passed above parity, but the guaranty of parity is the real basis of protection to all agricultural producers, and the fact should not be ignored that probably a majority of the agricultural commodities have never reached parity. So, while I think the amendment is correct in principle, I believe it would bring about a great injustice to many agricultural producers.

Mr. BROWN. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BROWN. I merely call attention to the fact that if it were found necessary to increase the production of any commodity, that could not be done under the rigid restrictions provided by the amendment by any promise of an increase in price. A fundamental thing in the entire price-control law is that increases may be made in prices when it is necessary for the effective prosecution of the war to increase prices. No country that has ever tried price control has attempted to freeze solidly every price, every wage, every salary that exists without provision for adjustments. I say to the Senate that it would be most unfortunate at this late hour to consider seriously an over-all freeze which has had no review by any committee whatsoever, which I think is brought in merely to criticize the measure on which our committee has worked for months and on which the Senate has worked for about 10 days, which will wipe out every protection to the farmer and every protection to the worker. This should not be done.

Mr. CLARK of Missouri. Mr. President, will the Senator from Alabama yield to me to reply to what the Senator from Michigan has said?

Mr. BANKHEAD. I yield.

Mr. CLARK of Missouri. The Senator from Michigan states that this amendment was brought in at the last minute. I offered the substitute early last week. I had it printed, and printed in the RECORD. I have discussed it with everyone I had a chance to speak to

about it. The Senator from Michigan, when he undertakes to say that it is brought in for the purpose of criticizing him or criticizing his committee, is simply misstating the facts, because I have no such purpose.

Mr. BROWN. The Senator criticized me, and my effort toward bringing about price control.

Mr. CLARK of Missouri. I think the measure proposed by the Senator from Michigan does not reach the objective of stopping inflation.

Mr. BROWN. The Senator says the price-control law has done nothing. The fact is that the price-control law which was enacted last January has saved the American people billions of dollars. The fact is that the price-control law which we enacted has kept the cost of living just as low, in this great country of 140,000,000 people, as the Canadian price-control law, which is held up to the skies as a perfect law, has kept it for the little Canadian nation of twelve to fourteen million people.

Mr. CLARK of Missouri. The Senator should debate that with the President. That is the whole occasion for this debate.

Mr. BANKHEAD. Mr. President, I should like to proceed and finish my statement; I have only a few more words to say.

I wish to point out that wheat, corn, oats, barley, rye, and all the grains are below parity, and have been below parity from the beginning, and the substitute would prevent them from ever reaching parity. That does not apply to cotton, but it does apply to all the grains and to a number of other commodities.

Mr. LEE. It would also freeze farm wages, which are now so low that if a farmer wanted to offer more wages in order to produce more wheat, he could not do it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. CLARK] in the nature of a substitute. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. WAGNER (after having voted in the negative). I have a general pair with the junior Senator from Kansas [Mr. REED]. Not knowing how he would vote, I transfer that pair to the senior Senator from West Virginia [Mr. KILGORE], and allow my vote to stand.

Mr. THOMAS of Utah (after having voted in the negative). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Missouri [Mr. TRUMAN], and allow my vote to stand.

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] and the Senator from North Carolina [Mr. BAILEY] are necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY], the Senator from Iowa [Mr. HERRING], the Senator from Missouri [Mr. TRUMAN], and the Senator from

Maryland [Mr. TYDINGS] are absent on important business.

The Senator from West Virginia [Mr. KILGORE] is absent on official business in connection with the Committee to Investigate National Defense.

The Senator from Oklahoma [Mr. THOMAS] has been unexpectedly called from the Senate Chamber on official business.

Mr. McNARY. The Senator from Vermont [Mr. AUSTIN] and the Senators from New Hampshire [Mr. BRIDGES] and Mr. TOBEY are necessarily absent. The Senator from Maine [Mr. BREWSTER] is absent on business of the Senate in connection with the work of the Truman committee.

The result was announced—yeas 15, nays 65, as follows:

YEAS—15

Byrd	Johnson, Colo.	Smith
Chavez	McKellar	Spencer
Clark, Mo.	O'Mahoney	Stewart
Connally	Russell	Vandenberg
George	Smathers	White

NAYS—65

Aiken	Gerry	Norris
Andrews	Gillette	Nye
Ball	Green	O'Daniel
Bankhead	Gurney	Overton
Barbour	Hatch	Pepper
Barkley	Hayden	Radcliffe
Bilbo	Hill	Reynolds
Bone	Holman	Rosier
Brooks	La Follette	Schwartz
Brown	Langer	Shipstead
Bunker	Lee	Taft
Burton	Lodge	Thomas, Idaho
Butler	Lucas	Thomas, Utah
Capper	Maloney	Tunnell
Caraway	Maybank	Van Nuys
Chandler	McCarran	Wagner
Clark, Idaho	McFarland	Wallgren
Danaher	McNary	Walsh
Davis	Mead	Wheeler
Downey	Millikin	Wiley
Doxey	Murdock	Willis
Ellender	Murray	

NOT VOTING—16

Austin	Guffey	Thomas, Okla.
Bailey	Herring	Tobey
Brewster	Hughes	Truman
Bridges	Johnson, Calif.	Tydings
Bulow	Kilgore	
Glass	Reed	

So the amendment of Mr. CLARK of Missouri, in the nature of a substitute, was rejected.

Mr. BROWN. Mr. President, I submit a perfecting amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out the words "joint resolution" wherever they appear in the joint resolution, and to insert in lieu thereof the word "act."

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Michigan.

The amendment was agreed to.

Mr. DANAHER. Mr. President, I call up an amendment in the nature of a substitute for the pending joint resolution, or as it now is amended, the pending "act." The amendment is on the table, and I ask that it be stated.

The VICE PRESIDENT. The amendment in the nature of a substitute offered by the Senator from Connecticut will be stated.

The CHIEF CLERK. It is proposed to strike out all after the resolving clause

and to insert in lieu thereof the following:

That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this joint resolution, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities, and to the extent that he finds necessary to aid in the effective prosecution of the war.

SEC. 2. Section 2 (f) and section 3 of the Emergency Price Control Act of 1942 are hereby repealed.

SEC. 3. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this joint resolution; and may exercise any power or authority conferred upon him by this joint resolution through such department, agency, or officer as he shall direct. The President may not under the authority of this joint resolution suspend any law or part thereof.

SEC. 4. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out "June 30, 1943" and substituting "June 30, 1944."

"(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such act shall, insofar as they are not inconsistent with the provisions of this joint resolution, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this joint resolution.

(c) Nothing in this joint resolution shall be construed to invalidate any provision of the Emergency Price Control Act of 1942, or to invalidate any regulation, price schedule, or order issued or effective under such act.

SEC. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

(b) Any person who willfully violates any regulation promulgated by the President under this joint resolution relating to wages or salaries, shall, upon conviction thereof, be fined not more than \$1,000.

SEC. 6. The provisions of this joint resolution and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution and all regulations thereunder shall prescribe.

Mr. DANAHER. Mr. President, I have in mind to take but a very few minutes of the time of the Senate, for I have argued substantially all the matter in what I sought to lay before my colleagues yesterday. It will have become apparent, however, to all those who are indulgent enough to attend upon the facts, that under the parliamentary situation the proposed substitute could not possibly have been offered, until this minute.

It seems, Mr. President, that it is pertinent to point out for the convenience of

Senators, that section 1 of the pending proposed substitute is identically stated word for word in the language of Senate Joint Resolution 161, as now amended in this body.

Section 3 of the proposed substitute is identically coincident with section 2 of the joint resolution before the Senate.

Section 4 of the proposed substitute is identical with section 7 of the joint resolution, and is necessary in order to integrate this particular proposed substitute with the Emergency Price Control Act. That is the purpose which section 7 serves in the joint resolution.

Section 5 of the proposed substitute provides that—

No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

Mr. President, it should be particularly noted that in that section the President is given implicit and explicit power over wages. It has been stated here loosely that the pending joint resolution before us has given no such power. An automatic wage control is implicit in the very price fixing inherent in establishing a maximum over any commodity, because no employer and no manufacturer can find it possible to pay a greater rate of pay than is permitted under the economy under which he acts.

In addition, Mr. President, in subsection (b) of section 5 of the proposed substitute a penalty is provided for anyone who violates regulations issued by the President under subsection (a) of section 5.

Furthermore there is the very potent deterrent to a violation of section 5 to be found in the fact that if the President orders that some element of cost shall be disallowed for tax purposes, no employer, no manufacturer, no producer dare violate the section with impunity.

So, Mr. President, there is a very real and a very vivid imposition of wage control in section 5 of the pending substitute. But it is identically the same language which is to be found in section 5 of Senate Joint Resolution 161.

Section 6 of the proposed substitute, Mr. President, provides for a termination date and also for action by the Congress, through concurrent resolution, or by the President, through proclamation, to terminate the effective operations of the powers conferred. So that when in section 1 we confer the powers on the one hand, in section 6 we provide a basis upon which they may be returned to the Congress.

All of that, Mr. President, let me say, is in accord with the message of the President. It is in accord with the address which he delivered to the people over the radio on the night of September 7. Above all, Mr. President, the proposed substitute in section 2 would execute identically the purpose and objective which the President sought when he told

us that the obstacle to an effective price-control lay in section 3 of the Emergency Price Control Act.

I have left until the last minute or two my reference to section 2 of the proposed substitute, for it seemed to me proper that I should invite the attention of the Senate to the fact that in this particular section is to be found the heart of the reason and the basis for offering the proposed substitute. Not only would it be possible to guarantee labor costs to farmers and to producers of any commodity of which there may be a shortage, and of which expanded production is called for, but it could be done through the medium of placing a floor under the price of the commodity. That is what is important. The cost could be assured to the producer. Moreover, it could be guaranteed a year in advance through the legislative authorization contained in section 2 of the Emergency Price Control Act.

Mr. BARKLEY and Mr. OVERTON addressed the Chair.

Mr. DANAHER. I yield first to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, during the consideration of the substitute offered by the Senator from Missouri [Mr. CLARK], the Senator from Alabama [Mr. BANKHEAD] pointed out that under that substitute all the efforts we have been making to protect producers by setting minimums below which a maximum could not be fixed would come to naught. I ask the Senator if his amendment does not have the same vice, in that it does not provide any protection in the way of safeguards—I would not call them guaranties—against lowering the prices of agricultural products not only below the figures set in the Emergency Price Control Act, but in the amending act which we have been considering for the past 10 days?

Mr. DANAHER. May I answer the Senator in more than one sentence?

Mr. BARKLEY. Certainly.

Mr. DANAHER. I wish to take note of the absence of the junior Senator from Michigan [Mr. Brown] who, as we know, will presently return. I may add, for the benefit of my colleagues who did not realize the fact of his absence, that one of the reasons for a more elaborate explanation than I had expected to make was that the time might thus be occupied during the necessary absence of the Senator from Michigan.

Mr. BARKLEY. I appreciate, and I am sure the Senator from Michigan appreciates, the Senator's willingness to speak longer than he intended to speak, or longer than he usually speaks, in order that he might protect the Senator from Michigan.

Mr. DANAHER. The Senator will realize what an effort it is at this hour.

Mr. BARKLEY. The Senator from Michigan is necessarily absent; but I suggest to the Senator from Connecticut that that courtesy does not require him to speak beyond 6:45 o'clock, if my memory serves me correctly.

Mr. DANAHER. Let me answer the Senator from Kentucky by saying, in the first place, that I disavow his use of the word "vice" as pertaining to anything

which has been suggested in the proposed substitute. There is no vice in it.

Mr. BARKLEY. The Senator will realize that I am not speaking of vice in the ordinary meaning of that word. I might use an expression used by Chief Justice Hughes when he decided the "sick chicken" case. He used the expression "fatal infirmity," which expression has impressed itself very much upon me. I will change the word "vice" to "fatal infirmity." However, that is just as bad as "vice," so far as the Senator's substitute is concerned.

Mr. DANAHER. Let me dispel from the mind of the Senator the alleged presence of either vice or fatal infirmity. Let me point out to him that under the terms of section 1 of the very measure upon which we are about to vote, which is identically the same language which is in section 1 of the proposed substitute, it would be the duty of the President to achieve stabilization on the basis of the levels existing on September 15, 1942. That is a partial answer.

Further, Mr. President, by the removal of section 3 of the Emergency Price Control Act we should be removing what the President said was the obstacle to effective price control.

I now yield to the Senator from Louisiana.

Mr. OVERTON. Mr. President, I am somewhat surprised that the substitute offered by the very able Senator from Connecticut does not contain the amendment which I offered the other day, and which was adopted by unanimous consent. That amendment provided that—

Nothing in this joint resolution shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

I proceeded with the presentation of that amendment to the point only of pointing out the very large salaries paid throughout the United States, many of which are as high as \$75,000 or more. I did not have occasion to talk about salaries being paid by small business to its managers, and about other overhead expenses. However, many small retail businesses must reduce their overhead expenses. If they must go to the President each time to obtain reduction of a salary in excess of \$5,000, it will militate against the very purposes of the joint resolution. I was hopeful that the Senator, with his usual acumen, would incorporate into his substitute the provision which has been unanimously adopted by the Senate, and which I have just read to the Senate.

Mr. DANAHER. Mr. President, it seems to me that the importunity of the Senator from Louisiana is such that no one could refuse him. I most certainly could not. I shall be happy to modify the proposed substitute in the particular mentioned.

Let me point out that my colleague the Senator from Michigan [Mr. BROWN] has now returned to the chamber. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Missouri [Mr. TRUMAN] and will vote. I vote "nay."

Mr. WAGNER (when his name was called). I have a general pair with the Senator from Kansas [Mr. REED]. I transfer that pair to the Senator from West Virginia [Mr. KILGORE] and will vote. I vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Delaware [Mr. HUGHES] and the Senator from Virginia [Mr. GLASS] are absent from the Senate because of illness.

The Senator from South Dakota [Mr. BULOW] and the Senator from North Carolina [Mr. BAILEY] are necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY], the Senator from Iowa [Mr. HERRING], the Senator from Missouri [Mr. TRUMAN], and the Senator from Maryland [Mr. TYDINGS] are absent on important public business.

The Senator from West Virginia [Mr. KILGORE] is absent on official business in connection with the Committee to Investigate National Defense.

The result was announced—yeas 14, nays 67, as follows:

YEAS—14

Ball	Maloney	Vandenberg
Butler	Nye	White
Clark, Mo.	Shipstead	Wiley
Danaher	Taft	Willis
Lodge	Thomas, Idaho	

NAYS—67

Aiken	Gerry	Norris
Andrews	Gillette	O'Daniel
Bankhead	Green	O'Mahoney
Barbour	Gurney	Overtown
Barkley	Hatch	Pepper
Bilbo	Hayden	Radcliffe
Bone	Herring	Reynolds
Brooks	Hill	Rosier
Brown	Holman	Russell
Bunker	Johnson, Colo.	Schwartz
Burton	La Follette	Smathers
Byrd	Langer	Smith
Capper	Lee	Spencer
Caraway	Lucas	Stewart
Chandler	McCarran	Thomas, Okla.
Chavez	McFarland	Thomas, Utah
Clark, Idaho	McKellar	Tunnell
Connally	McNary	Van Nuys
Davis	Maybank	Wagner
Downey	Mead	Wallgren
Doxey	Millikin	Walsh
Ellender	Murdock	
George	Murray	

NOT VOTING—15

Austin	Glass	Reed
Bailey	Guffey	Tobey
Brewster	Hughes	Truman
Bridges	Johnson, Calif.	Tydings
Bulow	Kilgore	Wheeler

So Mr. DANAHER's amendment in the nature of a substitute was rejected.

Mr. TAFT. Mr. President, I had intended to answer the claim put forward several days ago by the Senator from Michigan that under the Second War Powers Act the President had the power to fix prices. I merely want to put on record during the debate my entire disagreement with the conclusion which the Senator from Michigan stated. I was very pleased to observe that apparently neither the Senator from Michigan nor the Senator from Kentucky, in discussing the powers of the President, undertook

to defend the claim that the President has any constitutional power to fix prices; but, as I have stated, I desired to put on record my disagreement with the statement that, outside of the Price Control Act, the President has any statutory powers to fix prices, or that outside of the measure which we are about to pass he will have any power to fix wages. I give notice also that I intend to discuss the subject somewhat further during the next few days, before the pending measure finally becomes law.

Mr. BROWN. Mr. President, I move that the Senate proceed to consider House bill 7565, a measure similar to Senate Joint Resolution 161.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 7565) to amend the Emergency Price Control Act of 1942 to aid in preventing inflation, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Michigan that the Senate proceed to consider House bill 7565.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. BROWN. I offer the following amendment, to strike out all after the enacting clause and to insert the text of Senate Joint Resolution 161, as amended.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment was agreed to.

The VICE PRESIDENT. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question now is, Shall the bill pass?

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. THOMAS of Utah (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. BRIDGES]. Since he would vote as I intend to vote, I am entitled to vote. I vote "yea."

The roll call was concluded.

Mr. WAGNER (after having voted in the affirmative). I have a pair with the junior Senator from Kansas [Mr. REED]. I understand that, if present, he would vote as I have voted; so I allow my vote to stand.

Mr. BROWN. Mr. President, the senior Senator from North Carolina [Mr. BAILEY] is unavoidably absent. He desires that I announce that, if present, he would vote "yea."

Mr. RADCLIFFE. My colleague the senior Senator from Maryland [Mr. TYDINGS] is unavoidably absent. If present, he would vote "yea."

Mr. HILL. Mr. President, I announce that the senior Senator from Delaware [Mr. HUGHES] and the senior Senator

from Virginia [Mr. GLASS] are absent because of illness.

The junior Senator from Pennsylvania [Mr. GUFFEY] and the junior Senator from Missouri [Mr. TRUMAN] are absent on public business.

The senior Senator from West Virginia [Mr. KILGORE] is absent on official business as a member of the Special Committee to Investigate the National Defense Program.

I am advised that if present and voting all the Senators mentioned would vote "yea."

The senior Senator from South Dakota [Mr. BULOW] is necessarily absent.

Mr. McNARY. The senior Senator from Vermont [Mr. AUSTIN], the senior Senator from New Hampshire [Mr. BRIDGES], and the junior Senator from New Hampshire [Mr. TOBEY], are necessarily absent. The junior Senator from Maine [Mr. BREWSTER] is absent on business of the Senate in connection with the work of the Truman committee. If present, all the Senators referred to would vote "yea."

The result was announced—yeas 82, nays 0, as follows:

YEAS—82

Aiken	Gillette	Overton
Andrews	Green	Pepper
Ball	Gurney	Radcliffe
Bankhead	Hatch	Reynolds
Barbour	Hayden	Rosier
Barkley	Herring	Russell
Bilbo	Hill	Schwartz
Bone	Holman	Shipstead
Brooks	Johnson, Colo.	Smathers
Brown	La Follette	Smith
Bunker	Langer	Spencer
Burton	Lee	Stewart
Butler	Lodge	Taft
Byrd	Lucas	Thomas, Idaho
Capper	Maloney	Thomas, Okla.
Caraway	Maybank	Thomas, Utah
Chandler	McCarran	Tunnell
Chavez	McFarland	Vandenberg
Clark, Idaho	McKellar	Van Nuys
Clark, Mo.	McNary	Wagner
Connally	Mead	Wallgren
Danaher	Millikin	Walsh
Davis	Murdock	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	
Gerry	O'Mahoney	

NOT VOTING—14

Austin	Glass	Reed
Bailey	Guffey	Tobery
Brewster	Hughes	Truman
Bridges	Johnson, Calif.	Tydings
Bulow	Kilgore	

So House bill 7565, as amended, was passed as follows:

Be it enacted, etc., That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this act, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities, and to the extent that he finds necessary to aid in the effective prosecution of the war: *Provided*, That rates charged by any common carrier or other public utility on September 15, 1942, shall not be increased without the consent of the President: *Provided further*, That nothing in this section shall be construed as affecting the power or authority of any Federal, State, or municipal authority or agency to reduce prices, rates, or

charges subject to its jurisdiction, or to equalize the rates and charges of common carriers.

SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this act; and may exercise any power or authority conferred upon him by this act through such department, agency, or officer as he shall direct. The President may suspend the provisions of sections 3 (a) and 3 (c) and clauses (1) and (2) of section 302 (c) of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this act, but he may not under the authority of this act suspend any other law or part thereof.

SEC. 3. No maximum price shall be established or maintained for any agricultural commodity under authority of this act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner), or

(2) The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use;

and no maximum price shall be established or maintained under authority of this act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section: *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities: *Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *And provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *And provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this act, adequate weighting shall be given to farm labor; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the

price therefor specified in clause (1) of this section.

SEC. 4. No action shall be taken under authority of this act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942: *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust wages or salaries to the extent that he finds necessary to correct gross inequities.

SEC. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this act. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

(b) Nothing in this act shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

(c) The President shall have power by regulation to limit or prohibit the payment of double time except when, because of emergency conditions, an employee is required to work for 7 consecutive days in any regularly scheduled workweek.

(d) Any person who willfully violates any regulation promulgated by the President under this act relating to wages or salaries, shall, upon conviction thereof, be fined not more than \$1,000.

SEC. 6. The provisions of this joint resolution (except secs. 8 and 9), and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

SEC. 7. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out "June 30, 1943" and substituting "June 30, 1944."

(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such act shall, insofar as they are not inconsistent with the provisions of this act, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this act.

(c) Nothing in this act shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except to the extent that this act is inconsistent with secs. 3 (a) and 3 (c) of such act), or to invalidate any regulation, price schedule, or order issued or effective under such act.

SEC. 8 (a) The Commodity Credit Corporation is authorized and directed to make available upon any crop of the commodities cotton, corn, wheat, rice, tobacco, and peanuts for the year 1942 or any subsequent calendar year which begins during the continuance of the present war, if producers have not disapproved marketing quotas for such commodity for the marketing year beginning in the calendar year in which such crop is harvested, loans as follows:

(1) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 90 percent of the parity price for the commodity as of the beginning of the marketing year;

(2) To cooperators outside the commercial corn-producing area, in the case of corn, at

the rate of 75 percent of the rate specified in (1) above;

(3) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 percent of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

(b) All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, insofar as they are not inconsistent with the provisions of this section, be applicable with respect to loans made under this section.

SEC. 9. (a) Section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes," approved July 1, 1941 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a-8), is amended—

(1) By inserting after the words "so as to support" a comma and the following: "during the continuance of the present war."

(2) By striking out "85 percent" and inserting in lieu thereof "90 percent."

(3) By inserting after the word "tobacco" a comma and the word "peanuts."

(b) The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such section 4 (a), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a).

SEC. 10. When used in this act, the terms "wages" and "salaries" shall include additional compensation, on an annual or other basis, paid to employees by their employers for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees.

The title was amended so as to read: "An act to aid in stabilizing the cost of living."

The VICE PRESIDENT. Without objection, Senate Joint Resolution 161 will be indefinitely postponed.

Mr. BROWN. Mr. President, I move that the Senate insist on its amendment, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. WAGNER, Mr. BARKLEY, Mr. BANKHEAD, Mr. BROWN, Mr. MALONEY, Mr. DANAHY, and Mr. TAFT conferees on the part of the Senate.

Mr. BARKLEY. Mr. President, I ask that there be a print showing the bill as passed by the House and the bill as passed by the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

OVERTIME PAY

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Senate pro-

ceed to consider Calendar No. 1677, House Joint Resolution 346, a joint resolution reported from the Committee on Military Affairs extending for 2 months the period for which overtime rates of compensation may be paid under the acts of June 28, 1942, and other laws. The Senator from Utah [Mr. THOMAS] is in charge of the joint resolution.

Mr. THOMAS of Utah. Mr. President, this joint resolution should be passed today, or the provision for overtime would come to an end tonight. Congress is now working on an over-all bill to take care of overtime and pay for all employees, but it is necessary that this measure be acted on tonight in order that there may not be confusion in the pay rolls, and that until the over-all measure becomes a law, the present law may remain in effect.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H. J. Res. 346) extending for 2 months the period for which overtime rates of compensation may be paid under the acts of June 28, 1940 (54 Stat. 676), October 21, 1940 (54 Stat. 1205), and June 3, 1941 (55 Stat. 241), was considered, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Several postmasters.

By Mr. REYNOLDS, from the Committee on Military Affairs:

Sundry officers of the Army for appointment as officers in the Regular Army under the provisions of law.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

ARMY SPECIALIST CORPS

The legislative clerk read the nomination of John Edward Blann to be chief liaison officer.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John Edgar Upp to be principal administrative officer.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the postmaster nominations be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc. That completes the calendar.

Mr. BARKLEY. I ask that the President be immediately notified of all confirmations this day confirmed.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

ADJOURNMENT

Mr. BARKLEY. Mr. President, I intend to move that the Senate adjourn until tomorrow. It is necessary for the Senate to meet tomorrow, because we have to wait for the House to give consideration to the bill just passed. It is my purpose to ask tomorrow that the Senate consider measures on the calendar to which there is no objection, beginning at the point where we left off at the last call. I make this statement so that Senators may be advised.

I now move that the Senate adjourn.

The motion was agreed to; and (at 7 o'clock and 7 minutes p. m.) the Senate adjourned until tomorrow, Thursday, October 1, 1942, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 30 (legislative day of September 21), 1942:

ARMY SPECIALIST CORPS

APPOINTMENTS

John Edward Blann to be chief liaison officer, headquarters, at a salary of \$6,500 per annum.

John Edgar Upp to be principal administrative officer, headquarters, at a salary of \$5,600 per annum.

POSTMASTERS

MONTANA

Robert Midtlyng, Deer Lodge.

Henry C. Wilcox, Joliet.

Marie D. Laramy, Malta.

Peter J. Herbst, Plevna.

Estrid H. Knauts, Richey.

OHIO

Mary E. Bakle, Antwerp.

Roy H. Kerns, Bellefontaine.

Enoch W. Carman, Belmont.

Charles F. Hildebolt, Eaton.

Rolland R. Pettay, Freeport.

Clelland R. Polen, Lewisville.

Harry W. Gordon, McConnellsville.

Thomas H. Rice, New Vienna.

Lewis T. Williams, New Waterford.

Paul A. Elick, Payne.

William I. Dague, Wadsworth.

Sara J. Bell, Waterford.

House of Representatives

WEDNESDAY, SEPTEMBER 30, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God of the ages, our Father in heaven, grant that our gladness may be born of the conviction that Thou art near. Let some new strength be ours, to walk in patience in the ways of truth and wisdom, building on resolution and not on regret, letting in the light and dissipating the darkness. We pray that we may glow with moral fervor as under the ministry of Thy spirit we are exalted by the life-giving breezes which come from the shoreless seas of another world—the heaven of an all-wise Creator.

"When my father and my mother forsake me, then the Lord will take me up." We praise Thee for this assurance, which is more than deliverance or resignation; something higher, sweeter; it is a fellowship with our Father and to this trust Thou dost invite us with the promise of rest to all bewildered and confused hearts. Enable us to draw nearer Thee that we may have a fresh meaning and power for the vicissitudes of life.

Set our feet on lofty places,

Gird our lives that they may be
Armored with all Christ-like graces

In the fight to make men free;

Grant us wisdom, grant us courage

That we fail not man nor Thee.

We pray in the holy name of Jesus and for his sake. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

RESIGNATION FROM COMMITTEE ON THE LIBRARY

The SPEAKER laid before the House the following resignation:

SEPTEMBER 25, 1942.

HON. SAM RAYBURN,

The Speaker, House of Representatives.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on the Library to take effect immediately.

Sincerely yours,

LOUIS K. ROCKEFELLER.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION TO THE COMMITTEE ON THE LIBRARY

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution (H. Res. 545), and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That C. W. BISHOP, of Illinois, be, and he is hereby, elected to the Committee on the Library of the House of Representatives.

The resolution was agreed to, and the motion to reconsider was laid on the table.

APPOINTMENT OF WHITE HOUSE POLICE

Mr. SABATH, from the Committee on Rules, presented the following report on the bill (S. 2584) to permit appointment of White House Police, in accordance with the civil-service laws, from sources outside the Metropolitan and United States Park Police forces (H. Res. 546, Rept. No. 2497), which was read, referred to the House Calendar, and ordered printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2584) to permit appointment of White House Police, in accordance with the civil-service laws, from sources outside the Metropolitan and United States Park Police forces. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Buildings and Grounds, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the same to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

GRANTING DOMICILIARY CARE AND MEDICAL AND HOSPITAL TREATMENT TO VETERANS OF WORLD WAR NO. 2 ON A PARITY WITH VETERANS OF OTHER WARS

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7311) to amend section 6 of Public Law numbered 2, submitted to Congress March 20, 1933, as amended.

The Clerk read the title of the bill.

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. RANKIN of Mississippi. It is the same bill to which the gentleman objected the other day.

Mr. RICH. What is that? I have objected to a great many bills since then.

Mr. RANKIN of Mississippi. This is a bill to hospitalize these veterans who are being turned out without any place to go.

Mr. RICH. Is this bill recommended by the Veterans' Bureau?

Mr. RANKIN of Mississippi. No.

Mr. RICH. Then, Mr. Speaker, I object.

ESTABLISHING BETTER UNIFORMITY IN THE CONTROL OF PAYMENTS TO CERTAIN INCOMPETENT BENEFICIARIES RESIDING OUTSIDE THE UNITED STATES, ITS TERRITORIES, AND POSSESSIONS

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7408) to amend the act of October 9, 1940, entitled "An act to restrict or regulate the delivery of checks drawn against funds of the United States, or any agency or instrumentality thereof, to addresses outside the United States, its Territories and possessions, and for other purposes."

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman tell us what this bill is?

Mr. RANKIN of Mississippi. Has the gentleman read the report?

Mr. RICH. No; I have not.

Mr. RANKIN of Mississippi. The gentleman was on the floor the other day and heard the bill discussed; it was the same bill.

Mr. RICH. I want to know what the bill is about; I want to know what it is.

Mr. RANKIN of Mississippi. Mr. Speaker, I ask unanimous consent that the Clerk read the bill for the information of the gentleman from Pennsylvania.

The SPEAKER. Without objection, the Clerk will read the bill.

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That section 1 of the act of October 9, 1940 (54 Stat. 1086; U. S. C., title 31, sec. 123), is hereby amended by substituting for the period at the end thereof a colon and adding the following: "Provided, That any check drawn against funds of the United States for benefits under the laws administered by the Veterans' Administration, for delivery in the United States, its Territories, or possessions, to a guardian, curator, conservator, or other person legally vested with the care of any person in a foreign country, shall be deemed to be drawn for delivery in such foreign country and subject to the provisions of this act, and the Secretary of the Treasury shall be furnished necessary notification by the Administrator of Veterans' Affairs as to each such check: *Provided further*, That the Administrator of Veterans' Affairs is authorized to except from the provisions of the foregoing proviso any check wherein the application of this amendment would result in reduction, discontinuance, or denial of benefits which otherwise might be used for the care of a dependent of such person."

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO AID IN STABILIZING THE COST OF LIVING

OCTOBER 2, 1942.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

MR. STEAGALL, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 7565]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this Act, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may, except as otherwise provided in this Act, thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities: Provided, That no common carrier or other public utility shall make any general increase in its rates or charges which were in effect on September 15, 1942, unless it first gives thirty days notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State, or municipal authority having jurisdiction to consider such increase.

SEC. 2. *The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this Act; and may exercise any power or authority conferred upon him by this*

Act through such department, agency, or officer as he shall direct. The President may suspend the provisions of sections 3 (a) and 3 (c), and clause (1) of section 302 (c), of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this Act, but he may not under the authority of this Act suspend any other law or part thereof.

SEC. 3. No maximum price shall be established or maintained for any agricultural commodity under authority of this Act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner), or

(2) The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use;

and no maximum price shall be established or maintained under authority of this Act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section: Provided, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section: Provided further, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: Provided further, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: Provided further, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this Act, adequate weighting shall be given to farm labor.

SEC. 4. No action shall be taken under authority of this Act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942: Provided, That the President may, without regard to the limitation contained in clause (2), adjust wages or salaries to the extent that he finds necessary in any case to correct gross inequities and also aid in the effective prosecution of the war.

SEC. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this Act. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

(b) Nothing in this Act shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

(c) The President shall have power by regulation to limit or prohibit the payment of double time except when, because of emergency conditions, an employee is required to work for seven consecutive days in any regularly scheduled work week.

SEC. 6. The provisions of this Act (except sections 8 and 9), and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

SEC. 7. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out "June 30, 1943" and substituting "June 30, 1944".

(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such Act shall, insofar as they are not inconsistent with the provisions of this Act, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this Act.

(c) Nothing in this Act shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except to the extent that such provisions are suspended under authority of section 2), or to invalidate any regulation, price schedule, or order issued or effective under such Act.

SEC. 8. (a) The Commodity Credit Corporation is authorized and directed to make available upon any crop of the commodities cotton, corn, wheat, rice, tobacco, and peanuts harvested after December 31, 1941, and before the expiration of the two-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated, if producers have not disapproved

marketing quotas for such commodity for the marketing year beginning in the calendar year in which such crop is harvested, loans as follows:

(1) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 90 per centum of the parity price for the commodity as of the beginning of the marketing year;

(2) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 per centum of the rate specified in (1) above;

(3) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 per centum of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

(b) All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, insofar as they are not inconsistent with the provisions of this section, be applicable with respect to loans made under this section.

(c) In the case of any commodity with respect to which loans may be made at the rate provided in paragraph (1) of subsection (a), the President may fix the loan rate at any rate not less than the loan rate otherwise provided by law if he determines that the loan rate so fixed is necessary to prevent an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war.

SEC. 9. (a) Section 4 (a) of the Act entitled "An Act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes", approved July 1, 1941 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a-8), is amended—

(1) By inserting after the words "so as to support" a comma and the following: "during the continuance of the present war and until the expiration of the two-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated,".

(2) By striking out "85 per centum" and inserting in lieu thereof "90 per centum".

(3) By inserting after the word "tobacco" a comma and the word "peanuts".

(b) The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such section 4 (a), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a).

SEC. 10. When used in this Act, the terms "wages" and "salaries" shall include additional compensation, on an annual or other basis, paid to employees by their employers for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees.

SEC. 11. Any individual, corporation, partnership, or association willfully violating any provision of this Act, or of any regulation promulgated thereunder, shall, upon conviction thereof, be subject to a fine

of not more than \$1,000, or to imprisonment for not more than one year, or to both such fine and imprisonment.

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the bill.

HENRY B. STEAGALL,
CLYDE WILLIAMS,
BRENT SPENCE,
JESSE P. WOLCOTT,
CHARLES L. GIFFORD,

Managers on the part of the House.

ROBERT F. WAGNER
ALBEN W. BARKLEY,
J. H. BANKHEAD,
PRENTISS M. BROWN,
FRANCIS MALONEY,
ROBERT A. TAFT,

Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House bill and the substitute agreed to in conference are in general substantially similar but they differ in a number of respects, as follows:

Section 1 of the House bill directed that stabilization shall so far as practicable be on the basis of levels which existed on August 15, 1942. The conference substitute directs that stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942.

The conference substitute directs that the President shall issue, before November 1, 1942, a general order stabilizing prices, wages, and salaries affecting the cost of living. No such requirement was included in the House bill.

In section 1 of the House bill the President's authority to make adjustments was confined to the making of adjustments "to the extent that he finds necessary to correct gross inequities." In the conference substitute this authority is given "to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities."

In section 1 of the conference substitute there is included a provision requiring that no common carrier or public utility shall make any general increase in its rates or charges which were in effect on September 15, 1942, unless 30 days' notice is given to the President or to such agency as he may designate, and consent is given for the intervention by such agency before the public body having jurisdiction of the matter. The House bill contained no such provision.

Section 3 of the House bill provided that for the purposes of the act parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor. This provision is not contained in the conference substitute. The provision in the conference substitute relating to this subject appears in section 3. It makes no change in the parity formula provided for under present law. It provides that modifications shall be made in maximum prices established for any agricultural commodity, and for any commodity processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum price so established will not

reflect such increased costs. There is also included the same provision contained in the House bill relating to the fair and equitable allowance of a margin for the processing of agricultural commodities. There is also included a provision to the effect that in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, adequate weighting shall be given farm labor.

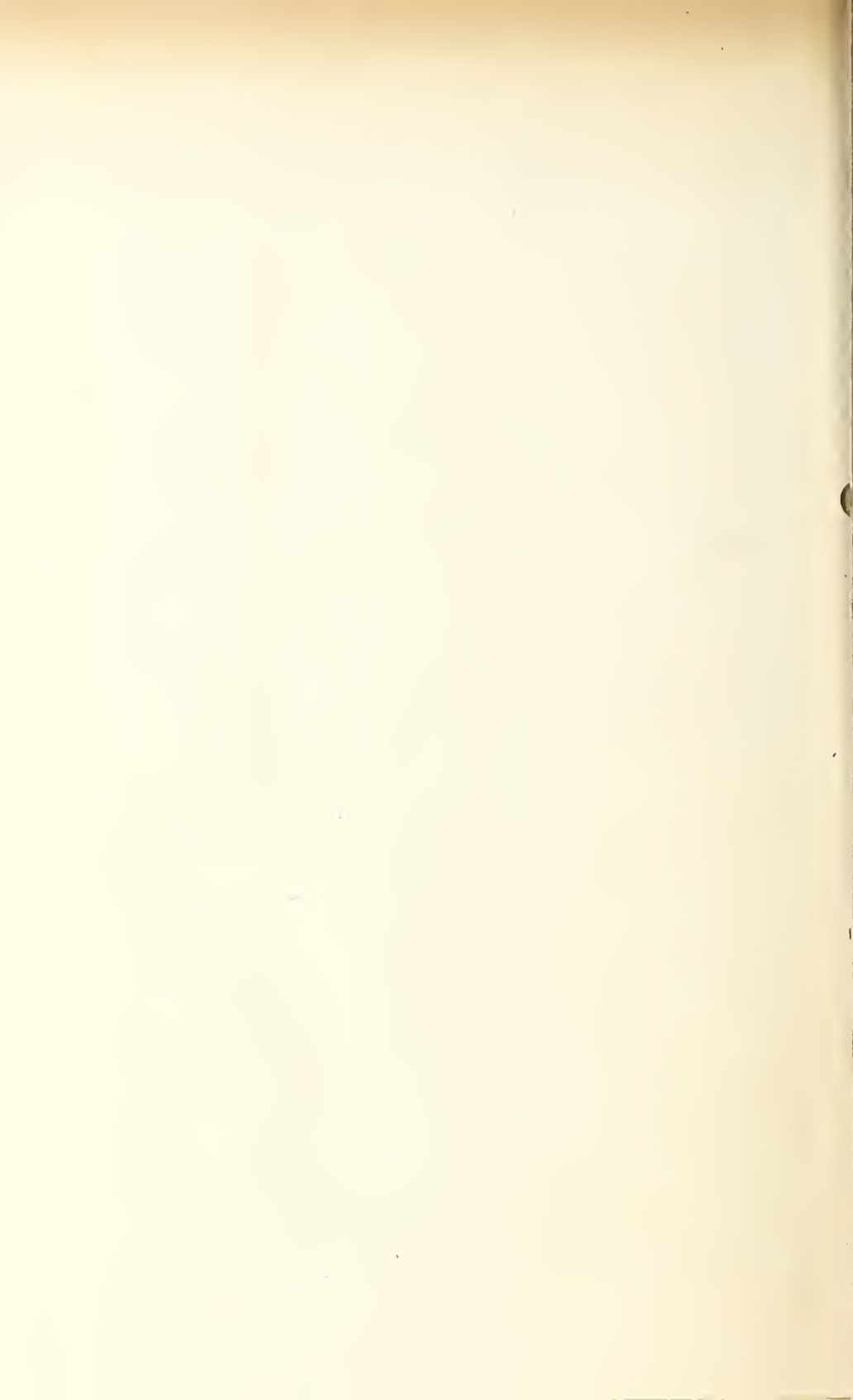
The provisions of section 4 of the conference substitute, placing limitations upon the authority which may be exercised under the act with respect to wages and salaries, follow the provisions of the Senate amendment, except that the President's authority to make adjustments may be exercised only to the extent that he finds necessary in any case to correct gross inequities and also aid in the effective prosecution of the war.

✍ In order to carry out the recommendations of the President with respect to establishing a floor for the prices of agricultural commodities, the conference substitute contains provisions which raise the loan rate for basic agricultural commodities to 90 percent of the parity price therefor; except that the President is authorized to fix the loan rate for any commodity at any rate not less than that otherwise provided by law if he determines that such action is necessary to prevent an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war. The loan rates provided for in the conference substitute are to be maintained until the expiration of a 2-year period after the end of the war. The conference substitute also provides that for a similar period the Secretary of Agriculture shall undertake to maintain at 90 percent of the parity or comparable price the price for any commodity the production of which he has undertaken to encourage.

HENRY B. STEAGALL,
CLYDE WILLIAMS,
BRENT SPENCE,
JESSE P. WOLCOTT,
CHARLES L. GIFFORD,

Managers on the part of the House.





one loose. It'll be the most devastating punch ever tossed.

Now, in our speech before the graduating class of dogs for defense, we are going to say—

RECESS

Mr. McNARY. The able Senator from Kentucky [Mr. BARKLEY] is absent. He made reference to a recess and a later session at 3 o'clock this afternoon. The Senator from Michigan [Mr. BROWN], with whom I have conferred, said he thought that the conference report would not be here until 4 o'clock, and it has been suggested that a recess be taken until that time. I move that the Senate take a recess until 4 o'clock today.

The motion was agreed to; and (at 2 o'clock and 2 minutes p. m.) the Senate took a recess until 4 o'clock p. m.

At the expiration of the recess the Senate reassembled.

Mr. BARKLEY. Mr. President, the conferees have agreed on the conference report on the supplemental price-control bill. The House must act on the report first, and, under the rules of the House, there may be 1 hour of debate on a conference report. The House may be considering the report now, but, obviously, the Senate will have to recess again until the House acts. Therefore I ask unanimous consent that the Senate stand in recess subject to the call of the Chair. It will probably be at least an hour before we can get the report, and, in all probability, when the report is brought in, a quorum call will be had so that Senators may be notified.

The PRESIDING OFFICER (Mr. SPENCER in the chair). Is there objection to the request of the Senator from Kentucky? The Chair hears none.

Thereupon (at 4 o'clock and 1 minute p. m.) the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 5 o'clock and 48 minutes p. m., when called to order by the Vice President.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 2584) to permit appointment of White House police, in accordance with the civil-service laws, from sources outside the Metropolitan and United States Park Police forces.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

The message further announced that the House had agreed to Senate concurrent Resolution 32, as follows:

Resolved by the Senate (the House of Representatives concurring), That there shall be printed 8,500 additional copies of the Senate reported print of the bill (H. R. 7378) to provide revenue, and for other purposes, together with the accompanying report thereon, of which 1,000 copies shall be for the use of the Senate document room, 5,000 copies for the use of the House document room,

1,000 copies for the use of the Committee on Ways and Means of the House of Representatives, and 1,500 copies for the use of the Committee on Finance of the Senate.

STABILIZATION OF THE COST OF LIVING—CONFERENCE REPORT

Mr. BROWN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this Act, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may, except as otherwise provided in this Act, thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities: *Provided*, That no common carrier or other public utility shall make any general increase in its rates or charges which were in effect on September 15, 1942, unless it first gives thirty days notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State, or municipal authority having jurisdiction to consider such increase.

"Sec. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this Act; and may exercise any power or authority conferred upon him by this Act through such department, agency, or officer as he shall direct. The President may suspend the provisions of sections 3 (a) and 3 (c), and clause (1) of section 302 (c), of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this Act, but he may not under the authority of this Act suspend any other law or part thereof.

"Sec. 3. No maximum price shall be established or maintained for any agricultural commodity under authority of this Act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

"(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner), or

"(2) The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use;

"and no maximum price shall be established or maintained under authority of this Act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefore equal to the higher of the prices specified in clauses (1) and (2) of this section: *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefore specified in clause (1) of this section: *Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *Provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this Act, adequate weighting shall be given farm labor.

"Sec. 4. No action shall be taken under authority of this Act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942: *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust wages or salaries to the extent that he finds necessary in any case to correct gross inequities and also aid in the effective prosecution of the war.

"Sec. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this Act. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

"(b) Nothing in this Act shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

"(c) The President shall have power by regulation to limit or prohibit the payment of double time except when, because of emergency conditions, an employee is required to work for seven consecutive days in any regularly scheduled work week.

"Sec. 6. The provisions of this Act (except sections 8 and 9), and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

"Sec. 7. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended

by striking out 'June 30, 1943' and substituting 'June 30, 1944.'

"(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such Act shall, insofar as they are not inconsistent with the provisions of this Act, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this Act.

"(c) Nothing in this Act shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except to the extent that such provisions are amended under authority of section 2, or to invalidate any regulation, price schedule, or order issued or effective under such Act.

"SEC. 8. (a) The Commodity Credit Corporation is authorized and directed to make available upon any crop of the commodities cotton, corn, wheat, rice, tobacco, and peanuts harvested after December 31, 1941, and before the expiration of the two-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated, if producers have not disapproved marketing quotas for such commodity for the marketing year beginning in the calendar year in which such crop is harvested, loans as follows:

"(1) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 90 per centum of the parity price for the commodity as of the beginning of the marketing year;

"(2) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 per centum of the rate specified in (1) above;

"(3) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 per centum of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

"(b) All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, insofar as they are not inconsistent with the provisions of this section, be applicable with respect to loans made under this section.

"(c) In the case of any commodity with respect to which loans may be made at the rate provided in paragraph (1) of subsection (a), the President may fix the loan rate at any rate not less than the loan rate otherwise provided by law if he determines that the loan rate so fixed is necessary to prevent an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war.

"SEC. 9. (a) Section 4 (a) of the Act entitled "An Act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes", approved July 1, 1941 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a-8), is amended—

"(1) By inserting after the words 'so as to support' a comma and the following: 'during the continuance of the present war and until the expiration of the two-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated.'"

"(2) By striking out '85 per centum' and inserting in lieu thereof '90 per centum'.

"(3) By inserting after the word 'tobacco' a comma and the word 'peanuts'.

"(b) The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such section 4 (a), be applicable with respect to any commodity with respect to

which a public announcement has heretofore been made under such section 4 (a).

"SEC. 10. When used in this Act, the terms 'wages' and 'salaries' shall include additional compensation, on an annual or other basis, paid to employees by their employers for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees.

"SEC. 11. Any individual, corporation, partnership, or association willfully violating any provision of this Act, or of any regulation promulgated thereunder, shall, upon conviction thereof, be subject to a fine of not more than \$1,000, or to imprisonment for not more than one year, or to both such fine and imprisonment."

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the bill.

ROBERT F. WAGNER,
ALBEN W. BARKLEY,
J. H. BANKHEAD,
PRENTISS M. BROWN,
FRANCIS MALONEY,
ROBERT A. TAFT,

Managers on the part of the Senate.

HENRY B. STEAGALL,
CLYDE WILLIAMS,
BRENT SPENCE,
JESSE P. WOLCOTT,
CHARLES L. GIFFORD,

Managers on the part of the House.

Mr. BARKLEY. Mr. President, I ask unanimous consent for the present consideration of the conference report; and if my request be agreed to, I shall make the point of no quorum, so that the Members of the Senate may be present.

The VICE PRESIDENT. Is there objection, to the consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BARKLEY. I now suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	O'Mahoney
Andrews	Gillette	Overton
Bailey	Guffey	Pepper
Ball	Gurney	Radcliffe
Bankhead	Hatch	Reed
Barbour	Hayden	Reynolds
Barkley	Herring	Rosier
Bilbo	Hill	Russell
Bone	Holman	Schwartz
Bridges	Johnson, Calif.	Shipstead
Brown	Johnson, Colo.	Smathers
Bunker	La Follette	Spencer
Butler	Lee	Stewart
Byrd	Lucas	Taft
Capper	McCarran	Thomas, Idaho
Caraway	McFarland	Thomas, Okla.
Chandler	McKellar	Thomas, Utah
Chavez	McNary	Tydings
Clark, Idaho	Maloney	Vandenberg
Clark, Mo.	Maybank	Van Nuys
Connally	Mead	Wagner
Danaher	Millikin	Walsh
Davis	Murdock	Wheeler
Downey	Murray	White
Doxey	Norris	Wiley
Ellender	Nye	Willis
George	O'Daniel	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from West Virginia [Mr. KILGORE] and the Senator from Washington [Mr. WALLGREN] are absent on official business in connection with the Committee to Investigate National Defense.

The Senator from Rhode Island [Mr. GREEN], the Senator from South Carolina [Mr. SMITH], the Senator from Missouri [Mr. TRUMAN], and the Senator from Delaware [Mr. TUNNELL] are detained on important public business.

Mr. McNARY. The Senator from Vermont [Mr. AUSTIN], the Senator from Ohio [Mr. BURTON], the Senator from Illinois [Mr. BROOKS], and the Senator from Massachusetts [Mr. LODGE] are necessarily absent.

The Senator from Maine [Mr. BREWSTER] is absent on business of the Senate in connection with investigations of the Truman committee.

The VICE PRESIDENT. Eighty Senators having answered to their names, a quorum is present.

The question is on agreeing to the conference report.

Mr. BILBO. Mr. President, will the Senator from Michigan explain the agreement?

Mr. BROWN. Mr. President, section 1 of the conference report follows section 1 of the Senate bill; in fact, I can say that very generally the conferees adopted the Senate bill with some slight modifications. The principal change in section 1 is that the Norris amendment which gave the President an all-over control of public-utility and common-carrier rates is stricken from the bill. There is substituted for it a provision which will require any public utility which asks for an increase in rates to notify the President and to assent to the appearance of such agent as the President may designate to appear in behalf of the consuming public before the appropriate railroad or public utility commission, be it a State, Federal, or municipal commission.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. NORRIS. Let me ask how much notice must be given.

Mr. BROWN. Thirty days' notice, as I recall, must be given to the President and consent must be filed to the appearance of the agent of the President in behalf of the consuming public.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. CONNALLY. Does that also apply to railway rates, truck rates, and bus rates?

Mr. BROWN. Yes; to all public-utility rates.

Mr. President, let me say that in addition to what is contained in the bill, I have stated, on authority of the chairman of the Senate Banking and Currency Committee, that the committee would consider the bill which has been referred to it and which was introduced by the senior Senator from Nebraska [Mr. NORRIS] covering the same subject matter; and it is expected that early next week that matter may be taken up in the committee.

It was felt by the House conferees that inadequate consideration had been given to the general subject matter, and they were unwilling to accept the Senate amendment. They were unanimous in their views; and it was impossible for us to persuade them to accept the Norris amendment. However, the conferees did make the arrangement which I have indicated and which was entered into after some consultation with the senior Senator from Nebraska. We told him we thought this was the best we could get on this subject matter.

There is no change in section 3 of the bill, which is the so-called farm-labor section. There is no change in section 4 of the bill of any particular moment; but, in order to enable the President to adjust wages or salaries from the September 15, 1942, level, it is necessary for him to find that not only does gross inequity exist but that it is necessary to do so in order effectively to prosecute the war. That was the amendment offered by my colleague the senior Senator from Michigan [Mr. VANDENBERG]. It was felt that it would be better to write it in section 4 of the bill rather than in section 1.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. CONNALLY. Is the word used "or" or "and"?

Mr. BROWN. Both conditions for the action must exist—gross inequity and the effective prosecution of the war—which was the intent and meaning my colleague had in offering the amendment.

Mr. HOLMAN. Mr. President, will the Senator yield for a question?

Mr. BROWN. I yield.

Mr. HOLMAN. As the bill is now framed, am I to understand that the President can raise or lower, as in his judgment may be necessary in order to carry on the war or to adjust inequities?

Mr. BROWN. Yes; the Senator is correct in his understanding. The President may do either; he may adjust—raise or lower. "Adjust" is the term used.

The senior Senator from New Mexico [Mr. HATCH] has asked me a question sotto voce, but I shall answer it out loud: The so-called farm labor section, section 3, remains identically as the Senate passed it.

Section 5 of the bill, the wage section, which prohibits payment of wages and salaries in contravention of the regulations promulgated by the President is left identically as the Senate passed it. Section 6 as to the termination of the law or the powers contained in the law likewise remains intact. The powers will terminate on June 30, 1944, or on such earlier date as the Congress, by concurrent resolution, or the President, by proclamation, may prescribe.

There is no change whatsoever in section 7.

The commodity credit section is changed in two particulars. First, Senators will recall, the Senate provided a 90 percent floor under basic commodities and commodities, the production of which the Secretary of Agriculture encourages for the period of the war. In

the House substantially the same provision was in the bill, but it extended the period for 3 years after the war. The conferees agreed upon a 2-year period after the war.

There is some apprehension upon the part of Senators that the 90 percent floor may be expensive to the Federal Government. I think that fear is based upon what may be in the minds of some, a slight misapprehension. The loans are not based upon the prices of commodities, but upon the parity of commodities. Of course, if the experience of the second World War is the same as the experience of the first World War, a decline in prices will result in a decline in parity. Therefore the probability of loss is not so great as it would be were we underwriting a price. We are underwriting parity, and not a price.

The change with respect to livestock and poultry feed is as follows:

In the case of any commodity with respect to which loans may be made at the rate provided in paragraph (1) of subsection (a)—

That is, 90 percent parity—

the President may fix the loan rate at any rate not less than the loan rate otherwise provided by law—

Which is 85 percent—

if he determines that the loan rate so fixed is necessary to prevent an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. WHEELER. When that is inserted in the bill, as I pointed out a few days ago, it is a discrimination against the wheat farmers and the corn farmers. I do not intend to make a fight against it, but I think a grave injustice is done when such a provision is written into the bill.

I can see no reason whatsoever, after fixing a 90 percent loan floor on part of the farm products, for giving the President discretion to reduce it in the case of wheat and corn.

At the present time the wheat farmer in my State is getting for his wheat only the loan value. If the price went to parity, he would be getting about \$1.34. But as to those crops which have not reached parity, the proposal is to give the President discretion to penalize the producers.

If the wheat farmer were to get a 90-percent loan, it would undoubtedly mean that the price of wheat would rise a few cents a bushel, and it would probably mean that the cost to the chicken raiser in the East who feeds wheat to his chickens would have to pay a few cents more for his wheat. But the wheat farmer is not getting parity, as provided by the bill. He is getting far less than parity. If the price of his product had risen so that he would be getting parity, there would not be any discrimination against him whatsoever, but to my notion the proposal is a rank discrimination against the wheat farmers of the country.

Mr. BROWN. I thank the Senator from Montana for his statement. What I stated upon this subject when the bill was under discussion in the Senate pretty

well covers my own views, and I do not care to go into a further discussion of the question.

Mr. HERRING. Mr. President, I merely want the RECORD to show that I agree thoroughly with the Senator from Montana [Mr. WHEELER]. There is no excuse for this discrimination. If it is proper to have discrimination as to the price of one of these basic commodities, it is proper and fair to have it as to six of them; but any attempt to single out two of the six commodities and give discretionary powers which will hold them down, and grant a 90-percent loan to the other four commodities, is discriminatory, unjustified, and unfair.

Mr. BROWN. I know the Senator's views upon the question, and it is with the greatest regret that I have taken part in this matter. I had hoped we could avoid the discrimination, which is a real discrimination; but the practical situation is such that I could take no other course.

I may say that there are other commodities which could be affected by this measure.

Mr. McFARLAND. Will the Senator yield?

Mr. BROWN. I yield.

Mr. McFARLAND. Is discretionary power vested in the President with regard to reducing the loan on cotton?

Mr. BROWN. No.

Mr. McFARLAND. The cotton loan remains at 90 percent?

Mr. BROWN. Yes. The measure merely covers agricultural commodities which are used for feed.

Mr. BUTLER. Will the Senator yield?

Mr. BROWN. I yield.

Mr. BUTLER. Of course, I do not know the interpretation the administrators may put upon the clause referred to, but under that clause they could include any one of the basic commodities mentioned in the bill.

Mr. BROWN. No; the Senator is not correct about that. It could cover only commodities used for livestock and poultry feed. I assure the Senator that it is in line with his desires.

Mr. BUTLER. A byproduct of cotton is one of the most indispensable feeds.

Mr. BROWN. I hope we will not have a long discussion about it. We had one day before yesterday, and it would be much better if the Senator would accept his victory than to pour more hot oil on the wounds which have been caused by this measure.

Mr. WHEELER. I am perfectly willing to remain here and discuss the question at great length, if any Senator wishes to discuss it.

Mr. BROWN. I do not care to discuss it.

Mr. WHEELER. What is being done is in the interest of the cattle feeders, who do not raise the cattle, but buy them on the plains, and then feed them grain which they obtain from the producers of corn. What is being done is to discriminate in favor of the feeder of cattle rather than the grower of cattle, and there is discrimination in favor of the chicken raiser as against the producer of wheat on the farm.

Mr. HATCH. Mr. President, if the Senator will yield, let me say that I think the Senator from Michigan has done a very good job, the best he could do, under the circumstances. I think he understands the whole situation. I hope we will not quarrel about the matter this evening.

Mr. BROWN. I thank the Senator from New Mexico very much for his statement.

Mr. President, I wish to present a summary of the report.

Section 1 of the conference agreement authorizes and directs the President, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries affecting the cost of living.

All prices which affect the cost of living, including the prices of services, commodities and property, are subject to control. Since virtually all such prices affect the cost of living, directly or indirectly, it is apparent that the scope of this authority over prices is extensive.

The terms "wages" and "salaries" are equally inclusive in their application. All employers and all employees are subject to control. It is immaterial whether the employer is a large corporation or a small independent enterprise. It is immaterial whether the employee is a wage earner, a salaried worker, or a corporation officer or director. In addition to the ordinary compensation paid by any employer to any employee, section 10 of the bill makes clear that all additional compensation for personal services shall likewise be subject to regulation. This includes all bonuses, fees, and commissions, and other forms of direct or indirect remuneration.

Section 10 expressly provides, however, that such additional compensation shall not include insurance and pension benefits in a reasonable amount to be determining wages and salaries for any also provides that additional compensation may not be taken into account in determining wages and salaries for any period prior to September 16, 1942, except in those cases where it has been customarily paid by employers to their employees.

The conference agreement further states, as in the Senate amendment, that the general order to be issued by the President shall, so far as is practicable, stabilize prices, wages, and salaries on the basis of the levels which existed on September 15, 1942. This authority is, of course, flexible in that the levels of stabilization may either be general or industry-wide, or those which prevail in individual establishments.

After issuing the general order, the President may provide for adjustments, either upward or downward, whenever in his judgment such adjustments are necessary to correct gross inequities, or to aid in the effective prosecution of the war, subject, of course, to the other limitations in the act.

It is important to recognize, in analyzing the legislation, that the power granted by section 1 over the prices of agricultural commodities is subject to the limitations contained in section 3, and that the power granted by section 1 over wages and salaries is subject to the

limitations set forth in section 4. These limitations will be discussed separately.

COMMON CARRIER AND UTILITY RATES

The special provisions contained in the conference agreement with respect to public-utility and common-carrier rates provide in effect that no common carrier or other public utility may charge or collect for services rendered after the effective date of the act a rate higher than the rate charged by that carrier or utility on September 15, 1942, unless 30 days prior notice is given to the President, or such agency as he may designate, and unless consent is given to timely intervention by such agency before the authority having jurisdiction to consider the increase in rates.

AGRICULTURAL COMMODITIES

Section 3 of the conference agreement contains limitations on the establishment and maintenance of maximum prices for agricultural commodities which follow the pattern of comparable limitations contained in the Emergency Price Control Act of 1942. Section 3 (a) of that act provides four different limitations below the highest of which farm prices may not be fixed. The conference agreement authorizes the President to suspend this subsection and provides instead that no maximum price shall be established or maintained for any agricultural commodity under authority of the bill or otherwise below a price which will reflect to growers the higher of the following prices, as determined and published by the Secretary of Agriculture: First, the parity or comparable price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or second, the highest price between January 1, 1942, and September 15, 1942 (adjusted in the same manner), or if the market was inactive during the latter half of such 9-month period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use.

In substance, therefore, the parity price or the highest 9-month price, whichever is higher, has been substituted for 110 percent of parity and the other limitations contained in section 3 (a) of the Price Control Act. In determining whether these limitations and the other maximum price limitation and standards contained in section 3 have been satisfied, parity payments and other direct or indirect Government subsidy or other payments shall continue to be taken into account.

Section 3 (c) of the Price Control Act prohibits the establishment or maintenance of any maximum price on any commodity processed or manufactured in whole or in substantial part from any agricultural commodity below a price which reflects to growers a price equal to the highest of the four limitations specified in section 3 (a). Section 3 of the conference agreement contains a comparable provision to the effect that prices on such derivative products must reflect a price equal to the higher of the prices specified in clauses (1) and (2) referred

to above. Thus the conference agreement provides substitutes for subsections (a) and (c) of section 3 of the Emergency Price Control Act of 1942.

Parity or a comparable price, if one has been established, is an absolute limitation below which no maximum price on any agricultural commodity may be established, but the highest price between January 1, 1942, and September 15, 1942, is subject to adjustment by the President, upward or downward, whenever in his judgment such action is necessary to correct gross inequities.

Section 3 of the conference agreement also directs that maximum prices on agricultural commodities or derivative products shall be modified, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes.

Another proviso contained in section 3 states that in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing. Substantially the same standard is contained in the Emergency Price Control Act of 1942. Maximum prices and margins under that Act must be at such levels as in the judgment of the Price Administrator will be generally fair and equitable and will effectuate the purposes of section 1 thereof. The limitation regarding margins contained in section 3 of the conference agreement provides a similar standard for the President in fixing prices under the new legislation.

Nothing in section 3 authorizes or directs a change in the formula by which parity is presently computed by the Bureau of Agricultural Economics. The bill simply provides that maximum prices established for any agricultural commodity or any derivative product shall be modified, under regulations to be prescribed by the President, when by reason of increased labor or other costs to the producer of such agricultural commodity incurred since January 1, 1941, the maximum price so established will not reflect such increased costs. The bill further provides that in fixing maximum prices on such commodities adequate weighting shall be given farm labor. Whenever price increases on any farm commodity since January 1, 1941, are more than offset by general increases in the costs of producing farm commodities, the bill therefore requires that the return to the grower shall be adjusted. Increased labor costs as reflected in rising wage rates for hired farm labor must be included in determining the extent of increased costs to growers.

LIMITATIONS ON POWERS OVER WAGES AND SALARIES

Section 4 prohibits any action, under the authority of the act, with respect to wages and salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose of reducing the wages or salaries of any par-

ticular work below the highest wages and salaries paid therefor between January 1, 1942, and September 15, 1942. Authority is conferred, however, to adjust wages and salaries without regard to the limitation in clause (2) to the extent that the President finds it necessary in any case to correct gross inequities and also aid in the effective prosecution of the war.

TAFT DOUBLE-TIME AMENDMENT

This amendment reads:

The President shall have power, by regulation, to limit or prohibit the payment of double time except when, because of emergency conditions, an employee is required to work for 7 consecutive days in any regularly scheduled workweek.

The amendment was offered to validate the President's recent Executive order dealing with double time on Sundays, unless that day is the seventh consecutive day of work (CONGRESSIONAL RECORD, p. 7889, September 30). Attention has been called to the fact that the Executive order also deals with time-and-one-half pay on Saturdays, Sundays, and certain specified holidays, except as otherwise provided by law. The Executive order itself permits wide exceptions and is the subject of great controversy between large segments of the labor movement, including different locals of the U. A. W.-C. I. O.

In order to remove any doubt concerning the interpretation of the Taft amendment, a colloquy is suggested when the conference report reaches the floor, bringing out these points:

First. The Taft amendment simply authorizes Presidential action; it directs nothing.

Second. The Taft amendment is not understood as limiting the President's broad authority over wages as Commander in Chief, or under section 1 of the bill, to prescribe adjustments affecting premium wage rates, for the purpose of correcting gross inequities or aiding in the effective prosecution of the war, except as otherwise provided by law.

Third. In brief, notwithstanding the Taft amendment, the President can withdraw, modify, or renew his Executive order.

PROCEDURAL PROVISIONS

Section 2 gives the President broad power to issue such regulations as may be necessary or proper to carry out the provisions of the act, and authorizes him to delegate and provide for the delegation of any power or authority conferred upon him by the act to or by any department, agency, or officer. It is through the exercise of this rule-making power that those to whom are delegated the powers conferred upon the President will make the appropriate adjustments, will implement and supplement the President's general order, and generally will seek to attain the broad objective of stabilizing the cost of living. This section also authorizes the President to suspend the limitations of section 3 (a) and 3 (c), and clause (1) of section 302 (c) of the Emergency Price Control Act of 1942, to the extent that such sections are inconsistent with the provisions of this act.

Section 7 (b) makes clear that all regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under the authority of this act are subject to protest under section 203, and judicial review under section 204 of the Emergency Price Control Act of 1942. This insures that such regulations and orders issued by the Price Administrator will be subject to review in the Emergency Court of Appeals and will hereby gain the protection of the exclusive jurisdiction provisions of the Emergency Price Control Act of 1942.

Section 7 (c) insures that the authority of the Price Administrator to issue or continue in effect regulations, orders, and price schedules under the Emergency Price Control Act of 1942 will not be impaired by the enactment of this legislation.

ENFORCEMENT PROVISIONS

Section 5 of the conference agreement makes unlawful the payment by the employer and the receipt by the employee of wages or salaries in contravention of any regulations issued under the act. That section authorizes the imposition of a number of sanctions for violations of this prohibition. Thus, for example, the President is authorized to instruct the executive departments and other governmental agencies to disregard any wage or salary payment made in contravention of regulations under the bill, in determining the costs or expenses of any employer for the purpose of any law or regulation. Under this authority, for example, the Treasury Department could be instructed to disallow such excessive salary or wage payments as deductions for the purposes of the revenue laws.

The procurement agencies of the Government could be instructed to disregard, or require to be disregarded, such excessive payments as costs under any contracts affecting commodities, articles, or materials directly or indirectly purchased by the United States; and the Price Administrator could be instructed to disregard such excessive payments for purposes of determining whether regulations or orders heretofore or hereafter issued by him are generally fair and equitable.

Section 7 of the conference agreement makes applicable to any regulations or orders issued by the Price Administrator, in the exercise of any functions which may be delegated to him under the authority of this bill, the same penalties and sanctions as are already applicable to regulations or orders issued by him under the Emergency Price Control Act of 1942. These include criminal penalties, treble damages, revocation of licenses, and civil injunctions. In addition, a general penalty provision is provided by section 11 for willful violations of the act and regulations promulgated thereunder. The penalty provided by such section is a fine of not more than \$1,000, or imprisonment for not more than 1 year, or both.

AGRICULTURAL COMMODITY LOANS

Sections 8 and 9 of the conference agreement provide for increasing the loans by the Commodity Credit Corporation upon the commodities cotton, corn, wheat, rice, tobacco and peanuts, and

upon certain nonbasic commodities, from 85 to 90 percent of the parity price for such commodities. Such increased loan rate is to apply to crops harvested after December 31, 1941, and before the expiration of a 2-year period beginning with the 1st day of January after the date upon which the President by proclamation, or the Congress by concurrent resolution, declares that hostilities in the present war have terminated.

The President may, however, fix the loan rate at any rate not less than rate otherwise provided by law if he finds that it is necessary to do so to prevent increases in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war.

Mr. NORRIS. Mr. President, I wish to refer to the action of the conference committee in including in the conference bill the language which the Senator from Michigan read and which takes the place of the amendment offered by me when the measure was before the Senate for consideration. It relates to utility rates and charges.

What has been substituted by the Conference Committee for the original language agreed to by the Senate does not, technically, afford any relief whatever, although, morally, I think it will result in considerable relief.

I intend to vote for the conference report, but I wish to call attention to the legal effect, as I understand it, of the language which has been substituted.

The committee has provided that no utility rate shall be increased unless 30 days' notice shall be given the President by the corporation seeking the increase. There is also the requirement that in the notice it shall be agreed that the President may have the right, through any instrumentality he may select, to appear before the body having jurisdiction of the rate. I think I have stated the legal effect correctly.

Mr. BROWN. The Senator has stated it correctly.

Mr. NORRIS. That does not give the President any right to pass on the question. It does not give him any right to appeal in case the Board's decision is against his representative's ideas.

Mr. BROWN. I would not be sure, if the Senator will pardon me, that his last statement is in accord with my own views. I think he would have the same right to appeal that any other interested party would have.

Mr. NORRIS. I did not look at it that way. If he would have that right, it would add a great deal to the legal effect of the language which has been placed in the measure.

Mr. BROWN. He becomes a party to the proceedings, that is, his agent does.

Mr. NORRIS. Yes, he does. The Senator's idea is that if under the law and the rules and regulations of the body having jurisdiction to hear the complaint, or the request, as it would be, an appeal is provided for, the President could avail himself of that right of appeal.

Mr. BROWN. Yes.

Mr. NORRIS. I hope that will be the construction placed upon the language.

Mr. BONE. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BONE. I am assuming in asking the question that even though the President's representative would be technically a party in an appeal, he would merely have the right formally to present his views, or the views of the administration, to the regulatory body, but he would have nothing to say about its decision. If its decision were that the increase in rates should be granted, the decision would be final.

Mr. NORRIS. If the Senator from Michigan has the correct idea, the President or his representative would have the right to appeal, as any party to the dispute would have the right to appeal.

Mr. BROWN. But with absolutely no authority to participate in the decision.

Mr. NORRIS. No; with no authority to participate in the decision.

Mr. BONE. That is what I meant by my question.

Mr. NORRIS. As I said, I think that would have a great moral effect. The only thing the President's representative could plead for or urge when he appeared at the hearing would be that if the body then hearing the dispute should increase the rate, it would very likely interfere with all that the Price Administrator had done in the fixing of prices, because no one will dispute that utility rates enter directly into the cost of living. If gas rates, or electric rates, or water rates, or freight rates, or streetcar rates are increased, every single item of increase goes directly into the cost of living and hence interferes with any attempt to prevent inflation. After all, that is why I am deeply interested in this proposition; I want to prevent inflation, if possible. That is the object of our giving someone the authority to fix prices and freeze them at a certain level. If any persons or corporations have the power to increase any item of the cost of living, and it is done contrary to the order of the President or the Price Administrator, it will tend directly to overthrow the prices so fixed and will throw the whole structure out of gear, thus tending to increase the cost of living, and making it necessary to increase all other prices which enter into the cost of living, with the result that, as I believe, inflation will follow immediately.

There would be a moral effect, however. When the President's representative appears before a tribunal having jurisdiction to fix or increase utility rates, he could say—and that is about all he could do—that if the requested increase were granted, it would tend to increase the cost of living, and hence throw out of gear the entire machinery designed to prevent inflation. If the tribunal increased utility rates during the war, notwithstanding the kind of showing made by the President's representative, it would in my judgment have a great effect upon public sentiment. The tribunal, board, or commission which acted to increase rates, in the face of a showing that such action might lead to the worst kind of inflation, would find

itself in a position which no board would want to be in. I think the provision in question will have a great moral effect. Therefore, I myself feel disposed to accept this language and vote for the conference report.

Mr. President, I think I realize as fully as does any other Senator the earnestness, the fidelity, and the good faith with which the conferees on the part of the Senate have labored. We are all anxious to get through with this measure, and I think we should all be willing to sacrifice something we believe ought to be in the measure in order to have it finally passed. For that reason I do not believe we are justified in rejecting the conference report simply because in some particular it has not met completely with our ideas.

I wanted to say this much, and by saying it in the Senator's time it is unnecessary for me to make a speech on the subject in my own time.

Mr. BROWN. I thank the Senator from Nebraska, and I want to say to him that I shall do what I can to expedite the hearing upon his bill which deals with the matter he has discussed.

Mr. NORRIS. I am of the opinion that it would be rather useless to crowd that bill if the language now contained in the conference report becomes the law.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BROWN. I promised to yield to the Senator from Washington [Mr. BONE], and then to the Senator from Maryland [Mr. THOMAS], after which I shall be glad to yield to the Senator from Oklahoma.

Mr. BONE. Mr. President, for the reasons expressed by the able Senator from Nebraska [Mr. NORRIS], I feel constrained to vote for the conference report, but I do not want my vote to be misunderstood. I wish I could feel the assurance which the Senator from Nebraska feels about the moral interposition of the President in this matter, because if the moral interposition of the President had counted in the control of prices we probably would not have wasted the time we have wasted on this measure. Perhaps I am a little cynical, but I have seen an absence of moral effect in cases of this kind over a long period of years, and I am not constrained to lay too much weight on that kind of influence.

Every Member of the Senate knows—he would not be here if he did not know—that the aggregate value of the utilities in this country is probably greater than the aggregate value of any other business group in the country.

The utilities reflect literally billions of dollars of value. Transportation, power, telegraph, and telephone, all the so-called regulated industries, together constitute the largest bloc of industrial and economic property in the United States. Any change affecting their income and expenditures and their operations is immediately felt in the current of our everyday life.

It is common knowledge of everyone who has ever looked into it, that for the last 20 years, under decisions of the Supreme Court of the United States, utilities, such as power companies, have

been permitted to pass on to the public all their taxes, which are incorporated in light and power bills, so that in practical effect the companies do not pay any tax at all. All the taxes they pay are enshrined in their light and power bills. On that point there can be no doubt. The Supreme Court in the Galveston case and in the Georgia Light and Power case laid that question at rest many years ago.

If anyone has any question about the power of pressure groups, I think he need have no illusions in his mind about the ability of the pressure group to which I have just referred to make its influence felt. I sat in this chamber at one time and saw a very able and distinguished Member much perturbed by receiving 29,000 telegrams in 1 day from private power companies, or which were at least stimulated by private power companies.

I give you my word, Mr. President, that in no campaign affecting any bill involving organized labor or the farmers have I received 1 percent of that number of requests to oppose or support a measure—not from the so-called farm bloc or the so-called labor bloc. However, one Senator told me that from private power utilities alone he had received the number of communications I have mentioned. That is pressure of the de luxe variety. Yet we squirm under criticism. Much of it has been so unfair that we properly resented it.

The press of this country, or at least a segment of it, has not hesitated to say that Congress was cowardly and that it yielded to pressure groups. In this provision we are confronting the greatest pressure group in the United States. If it can pass on its taxes to the consuming public—and it can and will under existing conditions, because the authority is enshrined in the law—that means that the war burden which the mass of the people are carrying will not be carried by the utility organizations. Every Member of this body knows that to be so. Every well-informed news writer or publicist knows it to be true. It is the one type of business organization which can slide off onto the public all its tax burdens, so that its owners do not carry any of them. If there is an increasing tax burden, it is reflected in a \$4 light bill to the consumer instead of a \$3 light bill. The extra dollar is the consumers' contribution to a private power company or some other form of utility organization, which will assume the attitude before the public that it is a heavy taxpayer and a heavy contributor to the war effort, whereas in truth and in fact the consumers have contributed its tax share of the burden of carrying the war. Everybody knows that to be true; and yet we are walking away from it.

I hope the Senator from Nebraska will not hesitate to press his bill, because hundreds of millions of dollars of taxes which the utilities of this country will pay from now on in this ghastly war effort will be paid by consumers. If I buy a railroad ticket I will pay the railroad's taxes. If I turn a switch and use a kilowatt-hour of electrical energy, I will pay the taxes of a private power company, although it will be brazen and im-

pudent enough to present to the public a picture of it paying taxes.

If any Senator feels that I am in error, I wish he would rise now—there are able lawyers in this body—and tell me where-in I am mistaken.

Mr. BROWN. I hope no Senator will do so, because we are anxious to get through.

Mr. BONE. It is important because utilities represent the greatest aggregate of business in the country. Congress will not be able to escape its responsibility. When we charge labor and the farmers with not wanting to carry their fair share of the burden, I think we can take unto ourselves a large share of the responsibility. The critics of Congress have proved a part of their thesis.

I hope the Senator from Nebraska will go ahead with his bill. If we do not meet this issue head on, but allow the largest single aggregate of corporate wealth in the country to escape taxes entirely, and make all the people pay such taxes in higher living costs, we shall not be discharging our duty.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. TYDINGS. The Senator from Michigan will recall that during the course of the debate on the price-control bill I called his attention to the fact that one agricultural product was selling for 5 cents less in 1942 than it sold for in 1941, and that under the wording of the bill it would be impossible, in my judgment, to apply the law without an amendment. The Senator from Michigan was very sympathetic, and stated that he did not feel that an amendment was necessary. I did not want to put an exception in the general phraseology of the law, so I did not offer the amendment.

Let me ask the Senator what the present status of that commodity is. The commodity to which I refer is Maryland tobacco, which sells for 5 cents less a pound in 1942 than it sold for in 1941, due to the loss of foreign trade. Most of the tobacco went into foreign trade, which is now extinct.

Mr. BROWN. The Senator from Kentucky [Mr. BARKLEY] raised the point in the conference. We were faced with the fact that clause (2) of section 3 of the Senate amendment was identical with clause (2) of a similar section in the House bill. After some considerable discussion, and full recognition of the justice of the position which the Senator from Maryland has discussed, we decided that it was not within our power to make a change. I invite the Senator's attention to the language in the latter part of clause (2), which reads as follows:

The highest price—

Speaking of an agricultural product—received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary for grade, location, and seasonal differentials)—

The follows the provision—

or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agri-

cultural commodities produced for the same general use.

The Senator from Kentucky pointed out that the market was not inactive with respect to Maryland tobacco. There was a market, but because of the condition to which the Senator alludes—the fact that Maryland tobacco was mainly an export commodity—that provision would not apply. So there is only one "out." Clause (2) has, of course, the "gross inequities" provision.

Mr. TYDINGS. And the seasonal provision.

Mr. BROWN. It has the seasonal provision in it, and it has the limitation of a bottom. Mr. Henderson, if he were in charge of the administration of the act, could permit the price of that commodity to go to a higher level, just as the President may permit the price of any other agricultural commodity to go to a higher level.

Mr. TYDINGS. As I understand, because the time limit is from January to September 1942, Maryland tobacco would be excluded under that particular wording; but it is the Senator's judgment that the remainder of the section, providing for seasonal adjustments, together with other provisions in the bill, would permit the Price Administrator to treat Maryland tobacco the same as any other agricultural commodity would be treated. Therefore, if the Administrator should see fit, in the interest of equity, he might add 5 cents, and thus assume that the operation was in the period of 1942 rather than in the period prior thereto.

Mr. BROWN. For the reasons which the Senator states, and also for the reason that this is a limitation which may not be exceeded, but which has a bottom below which the Administrator may not go, therefore he could do as suggested with respect to that commodity.

Mr. TYDINGS. I bring up the question now only because it is my understanding, as it is the understanding of the Senator from Michigan, and I know of the Senator from Kentucky, that ample machinery is in the hands of the Price Administrator to deal with this single agricultural commodity, which, so far as I know, is the only agricultural commodity which commands a lower price in 1942 than it commanded in 1941. The prices of most other agricultural commodities have gone the other way.

I only wished to make sure that all agricultural commodities which might be in the same category with Maryland tobacco would, under a broad interpretation of the law, be subject to equitable treatment at the hands of the Price Administrator.

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

Mr. BROWN. I yield.

Mr. BARKLEY. I simply wish to concur in the conclusion of the Senator from Michigan in regard to this question. In the matter of selling tobacco, the markets open at different times in the various sections of the country, depending upon the State and geographical location. In North Carolina, South Carolina, and portions of Virginia the markets opened weeks ago. It so happens that the price

of the 1942 crop on the markets which have opened is from 5 cents a pound to 10 cents a pound higher than the price of tobacco in the 1941 season.

As to the markets that have not as yet opened, and where there has been no sale of the 1942 crop, and will not be any until December or January, of course, it would be obviously unfair to make the basis the period from January to September, since during that period there was no market at all, and no tobacco was sold.

It so happens that the market for the 1942 Maryland crop has not as yet opened. Because of the failure of the Maryland growers to be able to export their tobacco, on account of the war, the price of the 1942 crop is less than that of the 1941 crop.

Mr. TYDINGS. That is correct.

Mr. BARKLEY. In view of the fact that the highest price is the floor, not the ceiling, and in view of the fact that the Secretary of Agriculture is authorized to adjust the seasonal prices so as to make them in line with the prices of similar agricultural products, there is no question, in my judgment, that the Price Administrator may adjust the price on the Maryland tobacco so as to put it in line with that of other tobacco.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. TYDINGS. I like the Senator's remarks, but they require a slight correction. In Maryland, when the tobacco crop is harvested in the fall—I do not live in the tobacco-growing section, but I know it to be so—the crop is not available for market purposes, and does not become available for market purposes until sometime during the following summer; because it goes through a curing process, whereas most tobaccos are available for the market in a short period of time. The method employed in Maryland to cure tobacco takes a longer period. Therefore, unless the bill were interpreted as the Senator from Michigan and the Senator from Kentucky have pointed out, this fall a very substantial group of farmers in my State would be subject to a discrimination to which no other group, so far as I know, would be subject.

Mr. BARKLEY. I appreciate that. Furthermore, it could be said—and, I think, without any technical interpretation—that the market for the 1942 crop of Maryland tobacco was not active during the period which we have put in the bill, and therefore it would be covered.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. THOMAS of Oklahoma. Is it not a fact that the original Price Control Act conferred no power on anyone to undertake to fix prices or wages and salaries?

Mr. BROWN. Mr. President, that is a question which is difficult to answer in one sentence.

Section 1 provided that it should be the policy of the departments of the Government having charge of the matter, such as the War Labor Board, the Department of Labor, and so on, so to correlate their policies with the price-control policies as to effect the purposes of

the act; but, as the Senator intimates, in a subsequent section there was a prohibition against any regulation of the wages or salaries paid by employers to employees.

Mr. THOMAS of Oklahoma. That was my construction of the act. Let me ask whether it is not also a fact that the existing law does not provide for anyone to have control of utility rates.

Mr. BROWN. The existing Price Control Act does. As the bill passed the Senate day before yesterday we had eliminated that prohibition. Now, by reason of the change—the striking out of the Norris amendment—that regulation goes back into the law.

Mr. THOMAS of Oklahoma. I am talking about existing law, and not the pending bill.

Mr. BROWN. The existing law prohibits the fixing of public utility rates by the Price Administrator.

Mr. THOMAS of Oklahoma. That was my understanding.

This bill, when approved by the President, will confer upon someone the power to fix, control, regulate, and adjust wages, salaries, and utility rates, will it not?

Mr. BROWN. The Senator from Oklahoma was not here during the early part of the discussion of the conference report. The Norris amendment was not accepted by the House. The conferees substituted a provision for it; and we have arranged that if the Senator from Nebraska desires us to take up his bill we may do so. But the House conferees were adamant against the inclusion of the Norris amendment in the bill.

Mr. THOMAS of Oklahoma. My broad question is, When the bill shall have become law, that prices will not be subject to being controlled by the President or by anyone whom he may designate to administer the two laws?

Mr. BROWN. I should say that the prices of commodities and the wages and salaries of individuals are fully covered by the bill. Public-utility rates are left to regulation by the bodies which now regulate them. The matter of income by way of profits, merchandising, and professional services, and so on and so forth, is not covered by the bill. But, if I have the figures accurately, of a total of about \$115,000,000,000, let us say, of national income, approximately \$90,000,000,000 will be covered by the provisions of the bill.

Mr. THOMAS of Oklahoma. Mr. President, I should like to make a brief statement in my own time, if I may have the floor for a minute.

Mr. BROWN. Will the Senator pardon me? I still have to make my nightly campaign speech over the radio.

Mr. THOMAS of Oklahoma. I assure the Senator that I shall not detain him long.

Mr. BROWN. Very well, I yield.

Mr. THOMAS of Oklahoma. Mr. President, I voted for the original price control bill when it passed the Senate and contained the O'Mahoney amendment. The conferees eliminated the O'Mahoney amendment from the bill, and submitted to the Senate their report. On that report I voted "no". However fairness compels me to admit that

the Price Administrator under that act has done practically a perfect job. The bill was passed during the latter part of January. It took the Administrator several months to perfect his organization. His organization was perfected, and became a functioning bureau of the Government about the first of May. On May 2 the general price level stood at 98.7. At that time the Administrator began to function and began to curtail, restrict, and block increases in prices. That was 5 months ago today. During those 5 months the general price level has increased from 98.7 to 99.4. On yesterday the general price level stood at 99.4. That means that in 5 months the general price level, which means the general prices of all commodities—900, at least—has increased on the average slightly in excess of one-tenth of 1 point per month. In other words the dollar has lost in buying power 7 mills since the 2d day of May.

Mr. President, I contend that any organization or any group or any administrator that over a 5-month period can handle the prices of all the things we have to buy in this country and can keep the general price level—embracing the millions of things which are bought and sold, and the price level itself embracing 900 commodities—from fluctuating more than within one point, has done practically a perfect job. Although I voted against the bill, I want to make that statement.

One more statement which I should like to make is that for 10 years or more some of us have been doing considerable talking on the floor of the Senate advocating economic and monetary measures which would permit the price level to rise until it reached 100. In 1933 we set out to raise the price level. There was no pronouncement on behalf of the administration as to the point to which we would try to raise that level. At that time the level was down to 64, or thereabouts. We decided deliberately to raise the price level, to increase the prices of the commodities which our people produce. We have been successful. While it has been the goal of some of us to get the price level to 100, it has not yet reached that point. The general price level today is six-tenths of 1 point below 100.

Of course, I feel very greatly gratified that conditions have been such that those in authority have not seen fit to put the brakes entirely on prices when the level was much below 100. As I have said many times on this floor, I shall be content, when we reach a price level of 100, or approximately 100, with any kind of steps which may be taken to check the advance and freeze the prices, if necessary, at that point, until we can take stock of our economic condition, and decide what shall be done from that time on.

I am hopeful that the record, which is so fine to date, will be maintained during the emergency. There is no reason why it cannot be maintained, and I think it will be. The Government, which is made up of all the people, is now spending six or seven billion dollars a month, which means that you and I, Mr. Presi-

dent, and all other citizens are buyers, and while we are forced to be buyers in the public market of supplies for the war effort, it is good business to keep the prices down. Then, after the war shall have terminated, we can take stock of our condition, and decide what should be done.

Mr. BARKLEY. Mr. President, the Senator from Michigan [Mr. Brown] has been called from the Chamber for 5 or 6 minutes, and I am sorry he is not present to hear what I am about to say.

I feel that I should be remiss in the performance of my duty if I did not express my deep appreciation for the constructive work which has been done by the Senator from Michigan, as the chairman of the subcommittee which helped to write the original Price Control Act, and as the member of the Committee on Banking and Currency charged with the responsibility of conducting the pending measure through the Senate.

I am a member of the Committee on Banking and Currency, as I am of the Committee on Finance, the Committee on Interstate Commerce, and the Committee on Foreign Relations, and, of course, as a member of those committees, as well as because of the position I hold as majority leader, it is my duty to cooperate with the members of those committees, as well as all other committees, in the passage of measures by the Senate.

Especially as a member of the Committee on Banking and Currency it has been my opportunity and my privilege, in connection with the pending measure, to work with the Senator from Michigan, and all other members of the committee, and I think I have been able to assess the value of his work in this particular field of price control.

I should not be performing my duty if I did not say here publicly that, in my judgment, the American people owe to the Senator from Michigan [Mr. Brown] a debt of gratitude for the sincerity and the broad statesmanship he has exhibited, as well as for the hard work, mental and physical, which he has devoted to this subject. I wish to pay him that compliment because I think he deserves it, and, in my opinion, the Senate and the country feel that he deserves it.

I wish also to express my great appreciation for the cooperation of other Senators outside the committee, the Senator from Wyoming [Mr. O'Mahoney], the Senator from Maryland [Mr. Tydings], the Senator from Kansas [Mr. Reed], the Senator from Alabama [Mr. Bankhead], the Senator from Nebraska [Mr. Norris], the Senator from Oregon [Mr. McNary], the minority leader, and the Senator from Oklahoma [Mr. Thomas]. I could extend the list, but I thank these Senators for the magnificent way in which they have assisted in the construction of the proposed legislation.

The Senator from New Mexico [Mr. Hatch] has been interested in the welfare of agriculture ever since he came to the Senate, as have the Senator from Oklahoma [Mr. Thomas], the Senator from Alabama [Mr. Bankhead], and, indeed, in reality, all of us. We came here committed to agriculture, and committed to proposals and efforts to put agriculture

upon an economic basis at least approaching the level of that of industry and other interests of the country.

We have had our differences, and we have debated and argued not only on the floor, but behind the scenes as well. The arguments, representations, and efforts to reconcile our differences behind the scenes have been as interesting and sometimes as controversial as they have been here on the floor of the Senate.

I wish to include the Senator from Vermont [Mr. AIKEN] among those who have aided materially and constructively in the framing of the bill and the consummation of what now seems to be a happy ending of our efforts.

I am especially happy over the matter not only because of the fine piece of legislation which I believe has been written, but because I believe that, under all the circumstances, it is a constructive bill, one under which the President can do everything he wants to do and feels it necessary to do, and at the same time it is one which preserves the economy of the American people without doing an injustice to any branch of American industry or activity.

Above all I am gratified because the final agreement on the measure has justified the legislative process, and has vindicated Congress. Regardless of what anyone may say, I think Congress has brought about an acceptable and commendable result in the writing of the bill. I am happy over it because we know how Congress has been subjected to criticism. I find no fault with anyone who feels that Congress has now and then been remiss in the performance of its duty, or has probably devoted itself now and then to the consideration of small matters. We are a cross section of the American people. It may be the people could have elected a better Congress than the one which they have elected, but they did not do so. They elected the one which they now have, and they will elect others in the future, as they have chosen the ones which represented them in the past. It may be that they could have done better than they did in choosing the two present branches of Congress, but the Congress which they chose has attempted to function in good faith.

I wish to congratulate those who have had a part in framing the bill we have been considering. In addition to the Senators I have already mentioned, I wish to include the Senator from Montana [Mr. WHEELER], who, in private conversation and negotiation, has assisted materially in attempting to iron out differences which existed, and I desire to express to him publicly my appreciation for the service he has rendered.

At this moment, in view of the consummation of our duty and our task, after our hard and controversial labors, I feel an infinite pride in the vindication of the democratic way of handling important questions such as the one with which we have been confronted. While not every one can be satisfied with the compromise which legislation must always be, the American people on the whole will find that in this instance we have done an acceptable job. When the

bill shall have been signed and become a law it can be lived with by those who must administer it. I believe it will demonstrate the wisdom of the Congress in its enactment, and I shall be happy to have it behind us and placed on the statute books.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WILEY. Now that the distinguished majority leader has complimented so many Senators, I think I might say, as a Republican, that the country owes a "thank you" to the majority leader. However, I do not rise for that purpose.

Mr. BARKLEY. I was about to say, if the Senator will permit me, that I also deeply appreciate the sincere cooperation and constructive help which has been given by the Republican minority of the Senate in the construction of the measure about to be enacted. I think they have, as we all have tried, to meet this problem in the light of our duty, and I believe we have performed it in that light.

Mr. WILEY. Mr. President, I should like to ask the Senator one question. Can he assure the Senate that the bill in its present form is acceptable to the President?

Mr. BARKLEY. I am not in a position to speak for the President—

Mr. WILEY. If the Senator from Kentucky is not, no one is.

Mr. BARKLEY. But if I were a gambling man I should be willing to wager considerable odds that it will not be rejected by the President of the United States.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from New Mexico.

Mr. HATCH. I shall take but a moment. Like the Senator from Wisconsin [Mr. WILEY] I did not want all these bouquets to be passed around so generously by our leader without saying a word. I am one of those who have not always been in accord with the majority leader. I regret it when I am not in accord with him, because I like very much to travel along the same road that he is traveling. But I merely want to say in all earnestness, and in all sincerity, that the compromise to which the Senator has referred would never have been worked out if it had not been for the wise consideration and the generous leadership of the Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. I thank the Senator from New Mexico.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McKELLAR. Of course I agree with all that the Senator from Kentucky has said about this bill and about its effect and about those who have taken active part in its enactment. I think we have obtained a good result. I am entirely satisfied with the bill so far as I am concerned, and I think, too, the Senate is, and I hope the country will be.

I especially wish to offer my congratulations to the distinguished, able, and

diplomatic Senator from Michigan [Mr. BROWN], who has borne the brunt of this fight. In my judgment, he has done a masterly job, and has stamped himself upon the country as being one of its ablest and best legislators. I congratulate all those on both sides who have brought about the passage of the bill.

My purpose in rising was not to say these things, but to ask the Senator from Kentucky a question about one item in the bill. The Senator offered in the Senate an amendment which was agreed to, affecting the prices of tobacco in States or districts in which the tobacco season has not as yet opened. Did that amendment remain in the bill?

Mr. BARKLEY. That amendment remained in the bill unchanged.

Mr. McKELLAR. I am very happy to know that that is true.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BANKHEAD. Very briefly I wish to approve everything that the Senator from Kentucky has said. As a member of the Banking and Currency Committee I worked with the Senate majority leader, the Senator from New York [Mr. WAGNER], the chairman of the committee, and the junior Senator from Michigan [Mr. BROWN], both in the handling of the original Price Control Act and in the management and consideration of the pending measure. I, of course, differed with these gentlemen from time to time on some questions. They have represented the administration in large measure, and I am generally an administration man. But I want to pay tribute to the fairness and justice of these three leaders in the management of this price-control measure.

I particularly want to pay a tribute in a brief way to the Senator from Michigan [Mr. BROWN]. He was the active author of the bill in cooperation with the distinguished chairman of the committee, the Senator from New York [Mr. WAGNER]. He has been fair and just and reasonable all the way through the consideration of the bill. He has taken into consideration in a proper and appropriate way the interest of the administration, the interest of the laborers, the interest of the farmers, the interest of the consumers. He has had the full cooperation of our distinguished majority leader and the Senator from New York in all those activities.

Mr. President, I am satisfied with the bill. I think it is a good, workable bill. I did not want the bill at all. I thought we had a good law. But I am not disappointed. We have reached a very fine and satisfactory conclusion. As one who is generally regarded as a minority member of the Committee on Banking and Currency on many questions, I should not feel satisfied if I did not pay this tribute and express my feeling of gratification, of satisfaction, of appreciation, and admiration for these three men, and particularly—and I hope my statement will not be regarded as invidious—for the great Senator from Michigan, who primarily had the responsibility for the management of the bill.

Mr. BARKLEY. Mr. President, I understand that the Speaker is waiting to sign the enrolled bill, which he cannot do until we adopt the conference report. I understand the Senator from Connecticut [Mr. DANAHER] desires to address the Senate at this time. Therefore I yield the floor.

Mr. DANAHER. Mr. President, first I want to congratulate the Senator from Ohio [Mr. TAFT], the Senator from Minnesota [Mr. BALL], the Senator from Louisiana [Mr. OVERTON], the Senator from Missouri [Mr. CLARK], and all other Senators who offered amendments which were rejected in the course of the consideration of this measure. [Laughter.]

I think it no more than right, Mr. President, that the majority leader in the course of his report to the Defense Inspector, who has been absent during the past 2 weeks while the bill was under consideration, should call attention to the headline in this morning's newspaper, particularly in the light of his eulogies here this afternoon.

President attacks Congress as hampering war effort. Roosevelt hits price bill haggling—

Says the Washington Post. All the time, Mr. President, while it was being represented to the country that the President was engaged in some life-and-death struggle with the Congress, he was not even in Washington.

Mr. President, I have just as much admiration for the legislative process as has anyone else. I do not yield even to the majority leader in my regard for it. I heard the Senator from Michigan [Mr. BROWN] on September 30 say, as he turned to the Senator from Alabama—and I read from page 7870 of the RECORD:

I again appeal to the Senator from Alabama. I am sure that the Senator from Kentucky [Mr. BARKLEY], the Senator from New York [Mr. WAGNER], and I are willing to be committed to see that the Senator's amendment with respect to the crops in which he is primarily interested is carried out. If we cannot agree on anything else, we can include the 90-percent provision.

At page 7872 the RECORD will show that I asked the Senator from Michigan to yield:

Mr. DANAHER. Let me ask the Senator from Michigan a question. When he speaks, as he purports to do, only for the majority conferees whom he already knows, and when he says he will protect the interests of the Senator from Alabama, is it his purpose to go into the conference and to accept the proposal that a 90-percent loan rate be guaranteed for 3 years after the war? Is that a part of his proposal?

Mr. President, let me recall to Senators, and let the RECORD show that there was not one word in the record of the hearings as to the post-war effect of a continued 90-percent parity guaranty. There is not a single line in the record as to the effect of this proposal. There was no testimony, no development of the proposition. The Senator from Michigan [Mr. BROWN] answered:

Mr. BROWN. No; I did not say that.

Mr. DANAHER. When the Senator says it is his intention to protect the interests of the

Senator from Alabama, is that what he means he will do?

Mr. BROWN. I intend to protect the interests of the Senator from Alabama "as is."

Mr. DANAHER. The Senator from Michigan does not mean to protect the Senator from Alabama or anyone else by accepting the proposed provision for a 90-percent loan rate to be guaranteed for 3 years after the war, does he?

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. BANKHEAD. The Senator from Connecticut is a member of the committee, and he knows that in the committee I withdrew that part of the amendment, and did not even submit it to the committee.

Later the Senator from Michigan said: I voted for it—

Meaning the 90-percent loan rate—

because I thought that it was desirable to have a 90-percent floor in the joint resolution in order to encourage Senators representing farm States to go along with the measure, as they have done.

Mr. President, there is the legislative process. That is what was done in connection with this measure. We did not hear any debate in the Senate about a post-war, 3-year guaranty, but it was in the House bill. The 90-percent parity rate emanated from the President of the United States and came from the President to the particular majority in control of the measure. It was offered in the committee as an amendment by the Senator from Alabama. At that time he did have a post-war guaranty proposal in his proposed amendment. It was already in the House bill, and the Senators in charge of the bill knew it. It is in the House bill this minute. But the Senator from Alabama withdrew it. He knew, as the questions put by me and the statement of the Senator from Michigan indicated, that were that proposal in the bill, without any record, without hearings, and without the development of the post-war effect of that continued guaranty, a very large number of Senators—possibly scores—would have refused to accept it.

But, no; we had to guarantee and protect the interests of somebody. Mr. STEAGALL had it all fixed; the Senator from Alabama had it all fixed, and the majority had it all fixed. That is the way it was in the conference. There was not a word about it in the Senate amendment when the bill went to conference, but the subject was not under discussion more than 5 minutes when the period was made 2 years, in the form in which we now find it in the bill.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. WHEELER. I invite attention to the fact that both the House bill and the Senate amendment provided that the loan to wheat farmers should be identical with the loan to cotton farmers; but, notwithstanding the fact that both the House bill and the Senate amendment contained identical provisions with reference to wheat farmers, the Senate conferees must have made a desperate fight for the wheat farmers of the Northwest in order to obtain a compromise so that

the President could change the loan value.

Mr. DANAHER. Let me say to the Senator from Montana that, as the Senator from Michigan explains, he made these agreements to the end that he might encourage Senators representing farm States to go along with the measure, as they have done, as he has pointed out to us.

Mr. President, I submit that when the war is over and the post-war rehabilitation problems confront us will be the time when we should decide what to do. We do not know the degree to which our economy will be affected by the exhaustion of war. We have no concept whatever of what the results are likely to be upon the consuming public of the Nation, but we do know that at this minute there are protections in the law to the effect that Government-loan cotton and similar commodities may not be sold. Those limitations are already in existing law. So for 2 years we guarantee that the producers of those commodities may continue to receive 90 percent of parity and again load their surplus commodities onto the Government, at the expense of the public. Such commodities may not even be sold for the benefit of consumers.

That is what has been done. That is the sort of thing which is involved; yet the record is barren of fact or incident to disclose the effect upon the economy of the American Nation of what has now been written into the conference report.

Mr. President, it seems to me that that is fundamental. In the light of the developments of the past 2 weeks, and particularly in retrospect, when we find that Congress is being attacked, let the record show what happened. That is my purpose in arising at this time. I also believe that a word of caution properly could and should have been injected into the whole proceeding, to the end that we postpone until the post-war period, when we are in a position to assay our condition, the decision as to what steps, if any, should be taken with respect to the continuance of a 90-percent parity loan.

Mr. BANKHEAD. Mr. President, in view of the spirit manifested by the Senator from Connecticut, I think it is proper that I should make a brief statement on the subject. He has mentioned my name.

This is the first time I have ever heard criticism of a conference committee because it adopted a provision in the bill of one House which was not originally included in the measure passed by the other House. He seems to believe that because there was no hearing on this phase of the bill, the Senate conferees should not under any circumstances have acceded to the request of the House.

This provision was included in the House bill. It was approved by the House committee, was adopted in the House, and was a part of the House bill. It was a part of the bill in conference between the two Houses.

The Senator from Connecticut said something about my knowing that Mr. STEAGALL was going to get it through. I had no knowledge in advance about what

the committee would do, or what the House would do. Action in the Senate committee was taken before the House committee had taken action, and before the House had taken action.

The Senator from Connecticut said that the matter was settled, as though there were some conspiracy. I had no special interest in the provision, and did not even press it. I think it is a wise provision. I know that it was recommended by the President. I think that is what turned the Senator from Connecticut against it. It was a part of the program advocated by the President in his message to Congress.

Instead of settling it in 15 minutes, I know that the members of the conference committee who are present will all testify that that particular subject had more discussion in the conference than probably any other phase of the subject between the conferees. It was brought up from time to time in discussions in the conference committee. It was not agreed upon until late this afternoon, because the Senator from Michigan stood firm against the insistence of the House conferees to have the 3-year period retained in the bill. He would not agree to it. There was protracted discussion in the conference committee. Instead of the question being settled in 15 minutes, as I stated, it required a large part of the time. Finally, in order to get an agreement, the matter was settled by the acceptance of a 2-year extension, which I understand had been recommended by the President of the United States.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. BARKLEY. This discussion ought not to be concluded without reminding the Senate of the fact that at least 3 months ago the Committee on Banking and Currency, after deliberate consideration, brought in a bill authorizing a 100-percent loan on farm crops, at the time when 110 percent of parity was the basis of the Price Control Act. That bill passed the Senate practically without opposition.

Mr. BANKHEAD. No; we had a pretty vigorous fight over it, but it was fully considered.

Mr. BARKLEY. There was a substantial majority.

Mr. BANKHEAD. There was a substantial majority; and it was fully considered.

Mr. BARKLEY. It was fully considered and passed. It went to the House. The House Committee on Banking and Currency reported it to the House, and it is now on the calendar; but the House did not act upon it because a rule was not provided in the House by the Rules Committee. That was because there was a general understanding that there would be a sort of informal recess for a couple of months.

The bill providing for 100-percent loans was based upon the 110-percent provisions of the Price Control Act; and when we were drawing this legislation and reducing the loans to approximately 100 percent, the Senator from Alabama was one of those in the committee who insisted that we should not provide for

a 100-percent loan because it might result in the farmers' turning their crops over to the Government itself.

Mr. BANKHEAD. Because there was not room enough above it.

Mr. BARKLEY. Yes. So that subject was given careful consideration by the committee some 2 or 3 months ago; was given careful consideration by the Senate, received a substantial majority of the votes of the Members of the Senate, went to the House, was put on the calendar, and would have become law except for the failure of the Rules Committee, because of a formal recess, to bring it up for consideration. So, it had ample consideration by both the committees of the House and Senate and by the Senate. I think that statement should be made at this time.

Mr. BROWN. Mr. President, I am very anxious to have the conference report on the bill agreed to. The bill has been the subject of practically a month's work. Therefore, I shall not make any reply to the speech made by my good friend, the Senator from Connecticut.

I wish I might take the time of the Senate to compliment the Senators who have taken part in this matter in words similar to those used by other Senators in describing me and others of my colleagues who have participated in this struggle.

I merely want to say that the Senator from Connecticut was perfectly willing to perpetrate this terrible crime upon the American people for 1 year, but he did not want to do it for 2 years. In the discussion which we had, the House wanted the period to be 3 years. The Senate wanted it to be merely the war period. The chairman of the House Banking and Currency Committee insisted upon having the period 3 years. We insisted upon having no post-war period. We finally compromised on a 2-year period, with the Senator from Connecticut very desirous of making it a 1-year period.

So, I want to say there was not a great deal of difference between us. If it would have been good for the country for 1 year, it will be good for the country for 2 years. I think we can live with it. I do not think it will cause great loss to the Treasury of the United States, and I know that it is a very satisfactory safeguard to American agriculture.

Mr. President, I have but one object, and that is to have the Senate dispose of the bill and send it on its way to the White House, where it can be considered by the President of the United States.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

AUTHORIZATION TO SIGN ENROLLED BILL

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Vice President be authorized to affix his signature to the enrolled bill during the recess or adjournment of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ADJOURNMENT

Mr. BARKLEY. Mr. President, I move that the Senate adjourn until 12 o'clock on Monday next.

The motion was agreed to; and (at 7 o'clock and 12 minutes p. m.) the Senate adjourned until Monday, October 5, 1942, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate October 2, 1942:

DIPLOMATIC AND FOREIGN SERVICE

George Wadsworth, of New York, a Foreign Service officer of class 1, to act as diplomatic agent and consul general of the United States of America near the Government of the Republic of Lebanon, at Beirut, and near the Government of the Republic of Syria, at Damascus.

THE JUDICIARY

Hon. Harold E. Stafford, of Hawaii, to be third judge of the First Circuit, Circuit Courts, Territory of Hawaii. Judge Stafford is now serving in this post under an appointment which expired June 24, 1942.

Hon. John A. Matthewman, of Hawaii, to be fifth judge of the First Circuit, Circuit Courts, Territory of Hawaii. Judge Matthewman is now serving in this post under an appointment which expired June 24, 1942.

UNITED STATES PATENT OFFICE

Vernon I. Richard to be an examiner in chief, Board of Appeals, United States Patent Office.

Ernest F. Klinge to be an examiner in chief, Board of Appeals, United States Patent Office.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

William H. Elam, Brent, Ala., in place of Grace Ward, resigned.

Elias B. Reid, Cherokee, Ala., in place of E. B. Reid. Incumbent's commission expired June 23, 1942.

William F. Croft, Crossville, Ala., in place of W. F. Croft. Incumbent's commission expired June 23, 1942.

A. Kate B. Patterson, Falkville, Ala., in place of A. K. B. Patterson. Incumbent's commission expired June 23, 1942.

Ernest D. Manning, Florala, Ala., in place of E. D. Manning. Incumbent's commission expired June 23, 1942.

Herman Pride, Georgiana, Ala., in place of Herman Pride. Incumbent's commission expired June 23, 1942.

Roy J. Ellison, Loxley, Ala., in place of R. J. Ellison. Incumbent's commission expired June 23, 1942.

William M. Moore, Luverne, Ala., in place of W. M. Moore. Incumbent's commission expired June 23, 1942.

Lawrence F. Howell, Moulton, Ala., in place of L. F. Howell. Incumbent's commission expired June 23, 1942.

Harry J. Wilters, Robertsedale, Ala., in place of H. J. Wilters. Incumbent's commission expired June 23, 1942.

Charles B. Lampkin, Jr., University, Ala., in place of J. A. Anderson, retired.

ARIZONA

George C. Wright, Clifton, Ariz., in place of G. C. Wright. Incumbent's commission expired March 23, 1942.

John E. Wagner, Jerome, Ariz., in place of J. E. Wagner. Incumbent's commission expired December 16, 1941.

ARKANSAS

Fagan B. Richardson, Ash Flat, Ark. Office became Presidential July 1, 1942.

Otis H. Parham, Bald Knob, Ark., in place of O. H. Parham. Incumbent's commission expired June 23, 1942.

Thomas B. Gatling, Bearden, Ark., in place of T. B. Gatling. Incumbent's commission expired June 23, 1942.

W. Ernest King, Clarksville, Ark., in place of W. E. King. Incumbent's commission expired June 23, 1942.

J. Dot Fortenberry, Imboden, Ark., in place of J. D. Fortenberry. Incumbent's commission expired June 23, 1942.

James T. Alderson, Malvern, Ark., in place of J. T. Alderson. Incumbent's commission expired May 6, 1942.

Guy Stephenson, Monticello, Ark., in place of Guy Stephenson. Incumbent's commission expired June 23, 1942.

Claude M. Farish, Morrilton, Ark., in place of C. M. Farish. Incumbent's commission expired June 23, 1942.

James H. Nobles, Parkdale, Ark., in place of J. H. Nobles. Incumbent's commission expired March 30, 1942.

CALIFORNIA

Gilbert G. Vann, Arbuckle, Calif., in place of G. G. Vann. Incumbent's commission expired May 27, 1942.

Jacob Golden Land, Feather Falls, Calif., Office became Presidential July 1, 1941.

Paul W. McGrorty, McCloud, Calif., in place of P. W. McGrorty. Incumbent's commission expired June 1, 1942.

John Carlos Rose, Milpitas, Calif., in place of J. C. Rose. Incumbent's commission expired June 18, 1942.

Robert L. Turner, Mojave, Calif., in place of J. J. Nestor, resigned.

Julia M. Ruschin, Newark, Calif., in place of J. M. Ruschin. Incumbent's commission expired May 28, 1942.

Lindsey L. Burke, Norwalk, Calif., in place of L. L. Burke. Incumbent's commission expired May 28, 1942.

Charles A. Turner, Oceanside, Calif., in place of C. A. Turner. Incumbent's commission expired May 4, 1942.

Icy June Murphy, Project City, Calif. Office became Presidential July 1, 1940.

George H. Treat, San Andreas, Calif., in place of G. H. Treat. Incumbent's commission expired June 18, 1942.

Louis J. McNeill, Tuolumne, Calif., in place of L. J. McNeill. Incumbent's commission expired June 23, 1942.

COLORADO

Mary E. Vogt, Burlington, Colo., in place of M. E. Vogt. Incumbent's commission expired June 23, 1942.

Glenn G. Ellington, Delta, Colo., in place of G. G. Ellington. Incumbent's commission expired June 6, 1942.

Lewis Hollenbeck, Salida, Colo., in place of Lewis Hollenbeck. Incumbent's commission expired June 23, 1942.

CONNECTICUT

Harold Olin Grant, Manchester, Conn., in place of T. J. Qulsh. Incumbent's commission expired February 18, 1941.

FLORIDA

Kirby D. Rooks, Bonifay, Fla., in place of K. D. Rooks. Incumbent's commission expired June 23, 1942.

LeRoy E. Diggins, Delray Beach, Fla., in place of L. E. Diggins. Incumbent's commission expired June 23, 1942.

Ralph W. Hartman, Stuart, Fla., in place of R. W. Hartman. Incumbent's commission expired June 23, 1942.

GEORGIA

Charles D. Bruce, Sea Island Beach, Ga., in place of C. D. Bruce. Incumbent's commission expired June 23, 1942.

ILLINOIS

John G. Rehwald, Altamont, Ill., in place of J. G. Rehwald. Incumbent's commission expired May 3, 1942.

Charles G. Sowell, Granite City, Ill., in place of C. G. Sowell. Incumbent's commission expired June 23, 1942.

INDIANA

William J. O'Donnell, Gary, Ind., in place of W. J. O'Donnell. Incumbent's commission expired June 23, 1942.

Joseph P. Sullivan, Whiting, Ind., in place of P. D. Sullivan, resigned.

KANSAS

Clarence O. Masterson, Wilmore, Kans. Office became Presidential July 1, 1942.

KENTUCKY

Earl H. Jackson, Corinth, Ky., in place of D. L. Sullivan, removed.

Owen W. Hisle, Richmond, Ky., in place of Elmer Deatherage, deceased.

MARYLAND

James F. Stack, Ridgely, Md., in place of J. W. Davis, removed.

MASSACHUSETTS

Charles H. McGrath, Randolph, Mass., in place of F. S. Roddan, resigned.

MICHIGAN

Robert E. Lee, Byron, Mich., in place of R. E. Lee. Incumbent's commission expired April 12, 1942.

George Merriman, Manchester, Mich., in place of Bert Lowery, deceased.

Lynn J. Pardee, Three Oaks, Mich., in place of J. E. Bommersheim. Incumbent's commission expired March 10, 1940.

MONTANA

Oren D. Clement, Livingston, Mont., in place of O. D. Clement. Incumbent's commission expired June 2, 1942.

NEW HAMPSHIRE

Harold B. Pinkham, Milton, N. H., in place of C. E. Tanner, resigned.

NEW JERSEY

Viola J. Kearns, Netcong, N. J., in place of A. J. Hans, deceased.

NEW MEXICO

Josephine Lorenzo, Dawson, N. Mex., in place of J. Q. Welch. Incumbent's commission expired April 29, 1942.

NEW YORK

Ward C. Wells, Barneveld, N. Y., in place of W. C. Wells. Incumbent's commission expired June 25, 1940.

William A. Horan, Castle Point, N. Y., in place of E. T. Hayden, removed.

OHIO

Walter T. Ault, Findlay, Ohio, in place of W. T. Ault. Incumbent's commission expired June 23, 1942.

Harry A. Higgins, Xenia, Ohio, in place of H. A. Higgins. Incumbent's commission expired June 23, 1942.

OREGON

Euna Pearl Burke, Astoria, Oreg., in place of E. P. Burke. Incumbent's commission expired June 23, 1942.

Robert H. Fox, Bend, Oreg., in place of R. H. Fox. Incumbent's commission expired June 23, 1942.

Glen C. Smith, Independence, Oreg., in place of G. C. Smith. Incumbent's commission expired May 12, 1942.

Winifred G. Wisecarver, McMinnville, Oreg., in place of W. G. Wisecarver. Incumbent's commission expired June 2, 1942.

PENNSYLVANIA

Charles T. Bonner, Glen Riddle, Pa., in place of C. T. Bonner. Incumbent's commission expired June 23, 1942.

Cornelius McCullough, Lansdowne, Pa., in place of Cornelius McCullough. Incumbent's commission expired June 23, 1942.

Marea Stover, Shrewsbury, Pa., in place of M. J. Gerry, resigned.

TENNESSEE

Bernard R. Duncan, Linden, Tenn., in place of B. R. Duncan. Incumbent's commission expired June 23, 1942.

Harry Robinson, Signal Mountain, Tenn., in place of E. H. Stanfield. Incumbent's commission expired February 24, 1942.

TEXAS

Milton L. Burleson, El Paso, Tex., in place of M. L. Burleson. Incumbent's commission expired May 28, 1942.

Mollie S. Berryman, Willis, Tex., in place of M. S. Berryman. Incumbent's commission expired June 23, 1942.

UTAH

D. Grant Ingersoll, American Fork, Utah, in place of S. T. Shelley, deceased.

WASHINGTON

George B. Day, Walla Walla, Wash., in place of G. B. Day. Incumbent's commission expired June 23, 1942.

WEST VIRGINIA

Julius W. Singleton, Charleston, W. Va., in place of J. W. Singleton. Incumbent's commission expired May 6, 1942.

Denny B. Browning, Logan, W. Va., in place of D. B. Browning. Incumbent's commission expired June 23, 1942.

WISCONSIN

Mary Drossart, Casco, Wis., in place of W. E. Drossart, transferred.

Frank R. Hughes, Chippewa Falls, Wis., in place of F. R. Hughes. Incumbent's commission expired April 12, 1942.

Earl F. Moldenhauer, Clintonville, Wis., in place of E. F. Moldenhauer. Incumbent's commission expired April 12, 1942.

Carl J. Mueller, Jefferson, Wis., in place of C. J. Mueller. Incumbent's commission expired May 31, 1942.

Bethel W. Robinson, Superior, Wis., in place of B. W. Robinson. Incumbent's commission expired May 31, 1942.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 2, 1942:

IN THE MARINE CORPS

PROMOTIONS IN THE TEMPORARY SERVICE

To be major generals

Julian C. Smith
Charles D. Barrett

APPOINTMENTS IN THE REGULAR SERVICE

To be second lieutenants

Robert A. Downing	James W. Sperry
John S. Hudson	Clayton S. Rockmore
Robert L. Gills	John L. Gifford
Delmar M. Perslinger	Fred C. Eberhardt
Irving B. Hayes	Henry V. Joslin
Richard W. Mirlick	Lyle K. London
William J. Howatt	Robert H. Daley
William G. Shoop	Harry A. Hadd
David S. Randall	Floyd M. Johnson, Jr.
Norman C. Bayley	Paul O. Engelder

POSTMASTER

KANSAS

Cleora Hila Creed, Turon.

House of Representatives

FRIDAY, OCTOBER 2, 1942

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We are grateful to Thee, O Thou God of goodness and grace, that Thou dost turn Thy countenance upon the upturned faces of Thy children. Sacred forever are those steps worn by the feet of Thy saints of old. We praise Thee that the divine voice whispers into the human soul at the altar of Him whose deathless sacrifice has swept the thoughts, the dreams, and the hopes of the centuries. Thou Christ, sorely fearful, strengthen our hearts lest we labor without Thy guidance.

Blessed Lord, as faith, love, and industry make the true man, may we be very sure that these will grow on a low plane unless inspired by the teaching of the Book of Life. We rejoice that Thy mercy forgives and Thy deep seas bury forever sins forsaken. We pray that we may honor all men; speak no evil, nor listen to it; teach high thoughts by amiable words; bear no ill will; love the truth and all that makes a good man. In the spirit of Jesus Christ our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 5719. An act to abolish the Guilford Courthouse National Military Park Commission, and for other purposes;

H. R. 6601. An act to reorganize the system of land offices and land districts in Alaska; and

H. R. 7152. An act to amend the Nationality Act of 1940 to preserve the nationality of citizens residing abroad.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7121. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1869. An act for the relief of certain claimants against the United States who suffered property losses as a result of the failure of the Big Porcupine Dam on the Fort Peck project, Montana;

S. 1968. An act to amend section 13 (c) of the act entitled "An act to prevent pernicious political activities," approved August 2, 1939, as amended, so as to permit the sale of certain publications not published or sold for profit;

S. 2398. An act amending the provisions governing the issuance of patent for certain lands to the town of Fletcher, Okla.;

S. 2528. An act to provide for the settlement of certain claims of the Government of the United States on behalf of American nationals against the Government of Mexico;

S. 2623. An act authorizing the construction of certain public works in the basin of the Connecticut River for flood control;

S. 2635. An act to provide for granting to the State of New Mexico the right, title, and interest of the United States in and to certain lands in New Mexico;

S. 2691. An act to facilitate and simplify collection procedure in the Department of the Interior;

S. 2706. An act to amend the act entitled "An act to expedite national defense, and for other purposes," approved June 28, 1940 (54 Stat. 676), and "Title IV of the Naval Appropriation Act for the fiscal year 1941," approved September 9, 1940 (54 Stat. 883);

S. 2723. An act to amend the Pay Readjustment Act of 1942;

S. 2762. An act to except from the provisions of section 3709 of the Revised Statutes purchases or services rendered for the Department of Commerce where the amount involved does not exceed \$100;

S. 2776. An act to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941, to continue it in effect;

S. 2798. An act amending the first sentence of Article of War 52, relative to execution of court-martial sentences; and
S. Con. Res. 32. Concurrent resolution authorizing the printing of additional copies of the Senate reported print of H. R. 7378, a bill to provide revenue, and for other purposes.

PRICE CONTROL

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference requested by the Senate.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. RANKIN of Mississippi. Mr. Speaker, I reserve the right to object. An amendment was inserted in the Senate to give the administration the right to prohibit increase in utility rates and we are very much interested in that amendment, because the report that came to my desk this morning from the Electric Institute shows the domestic

electric consumers in almost every State in the Union are overcharged about 100 percent. We want to know if the House conferees are willing to bring that provision back and give the House an opportunity to vote upon it, in case they do not agree to it.

Mr. STEAGALL. Mr. Speaker, I say to the gentleman that he is not correctly describing the amendment to which he evidently refers. The amendment to which the gentleman refers is not directed solely at power rates. It is much broader than that, and all I can say to the gentleman is that the conference committee has that matter under consideration. What their action will be I am not in a position to tell the gentleman at this time.

Mr. RANKIN of Mississippi. What I am interested in is the electric light and power rates that are likely to spiral to where the overcharges that amount to 100 percent now will probably spiral to 400 or 500 or 1,000 percent. I am interested in the conferees giving us the right to vote on that provision in case the House conferees fail to agree to it.

Mr. STEAGALL. Of course, the gentleman is one of the best trained parliamentarians in this House and he knows what his rights are with respect to that. I cannot state to the gentleman now what will be done by the conferees in connection with that amendment.

Mr. RANKIN of Mississippi. I just want to emphasize to the gentleman from Alabama that unless the House conferees agree to that provision, we are going to demand a separate vote upon it.

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object, to ask the gentleman from Alabama or the majority leader of the House what we can expect today. Conflicting rumors have been circulating as to the time we may receive the report of the conference committee.

Mr. STEAGALL. Mr. Speaker, the conferees are working now in the hope of finishing the conference in time to make a report to the House today at such an hour as will permit action upon the report by the House this afternoon. There is good reason to hope that we shall be able to do that.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none and appoints the following conferees.

The Clerk read as follows:

Mr. STEAGALL, Mr. WILLIAMS, Mr. SPENCE, Mr. WOLCOTT, Mr. GIFFORD.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the conferees on the bill just sent to conference may make their report during the day and that it

may be in order to consider the report when it is filed.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, the gentleman will try to bring the legislation back sometime today, early enough to have the report acted upon?

Mr. STEAGALL. I have hopes that we will be able to act upon the report today.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

ELECTION TO COMMITTEE ON THE LIBRARY

Mr. BOEHNE. Mr. Speaker, I submit the following resolution and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 548), as follows:

Resolved, That WILLIAM H. LARRABEE, of Indiana, be, and he is hereby, elected to the Committee on the Library of the House of Representatives.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FREE PRESS

Mr. NELSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. NELSON. Mr. Speaker, this is newspaper week. The press of the United States has just been put to the greatest test in the history of journalism, asked to sacrifice news, its very lifeblood. This test was fully met, met in keeping with the best traditions of an agency which has never failed America in its hour of need. From time to time we are told of how without this or that, whether reference be to food or to the output of factories, the war could not be won. Doubly difficult would it be to win the war without the support of newspapers, whether the smallest country weekly or the most powerful metropolitan publication. In these days of drive and endeavor, and sometimes of doubt, when the fate of civilization itself hangs in the balance, there are few issues of any publication which do not carry in their columns material vital to our cause. Space represents the goods which the paper must sell if it is to survive, yet hundreds of thousands of columns, if not actually millions, are contributed by the press of America. All credit and all honor to this press, fair and unafraid, and which in the interest of that which means more than money, cooperates not only in giving publicity to promote the war effort but withholds from its columns news of the greatest interest to its readers. Again, all credit to the press.

[Here the gavel fell.]

THE PRESIDENT ATTACKS CONGRESS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include as a part of my remarks an article appearing in the Wash-

ington Post this morning headed "The President attacks Congress," together with supporting statements.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

[Mr. O'CONNOR addressed the House. His remarks appear in the Appendix of today's RECORD.]

ANTI-INFLATION LEGISLATION

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

[Mr. WOODRUFF of Michigan addressed the House. His remarks appear in the Appendix of today's RECORD.]

EXTENSION OF REMARKS

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to extend my remarks and include a significant speech by Rear Admiral Ben Moreell, Chief of the Bureau of Yards and Docks.

The SPEAKER. Is there objection?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

(By unanimous consent, Mr. SATTERFIELD was granted permission to extend his own remarks in the RECORD.)

APPOINTMENT OF WHITE HOUSE POLICE IN ACCORDANCE WITH CIVIL-SERVICE LAWS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2584) to permit appointment of White House Police, in accordance with the civil-service laws, from sources outside the Metropolitan and United States Park Police force.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Texas a question. According to the Chief of Police of the White House force, there is authorized now for the White House police force 80 men for the regular force and 40 to be detailed from the Metropolitan Police. That would make 120, but there are now on duty about 101 as of yesterday. As I drove around the White House this morning I noticed 15 Army men guarding the White House grounds. I could only get on the south and north sides of the White House. The east side, next to the Treasury Department, and the west side, next to the State Department, were closed to pedestrians. So if they had 15 more on those 2 sides of the White House there would be at least 100 soldiers there during a 24-hour period guarding the White House. If they have over 100 policemen and 100 Army men to guard the White House, that is more policemen than it takes to guard the people in a city of 100,000 people. When no one is permitted to go around the grounds of the White House, do you think it is necessary to include 20 or 30 more men on that

force? I am one who does not think so. I want to give all the protection to the President of these United States that is necessary. I have no desire that he shall not have full and proper protection, but it seems to me as a matter of common sense and wisdom, when we are going in the red over \$12,000,000,000 since the first of July and here we can save the services of 20 to 40 men who can be used in other industries or on the District police force, and who can be used in thousands of places where they are needed, where they can be of use to our country in time of war when manpower is scarce, and I believe that that should be done. I do not think this bill ought to be passed. But I do not want to put the Rules Committee to the bother of granting a rule. I agreed not to object to it, by unanimous consent, but I think from the standpoint of good ordinary common sense this bill should not be passed; from the standpoint of the Treasury, I know it should not pass. I am willing to have it taken up by unanimous consent, but I believe it is wrong and I think the Congress sought to reject the bill. If you do not reject it then I am sure you do not know what is best for our country and the majority who have control of the votes will continue to rubber stamp through this House unnecessary legislation, extravagant legislation. It is up to you, the House of Representatives. Do you duty and kill this bill. I warn you of your duty. I would kill it if I thought by my objection that would do the job but I know I cannot do it.

Mr. LANHAM. Mr. Speaker, may I say to the gentleman from Pennsylvania that the representatives of the secret-service organization and the Treasury Department who appeared before our committee stated that it was vitally necessary to have these vacancies filled. This involves no additional appropriation whatever. The White House grounds are very extensive grounds. They are serviced by policemen both from the standpoint of the grounds and the standpoint of the buildings on the grounds. The policemen work in several shifts each day. I think that in these war times particularly it is highly important that we keep that force up to the authorized strength.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. I understand this is a unanimous report from your committee, after full hearings?

Mr. LANHAM. That is correct. And the bill has already passed the Senate.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That, in addition to appointment from members of the Metropolitan Police force and the United States Park Police force, as provided in section 2 of the act of September 14, 1922, as amended (U. S. C., title 3, sec. 62 (a)), members of the White House Police force may be appointed, and vacancies in such force filled, in accordance with the provisions of the

shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators.

Congress has no power at all to legislate on anything save State regulations of the times, places and manner of holding elections for Senators and Representatives. The poll tax requirement is not a regulation, but a plain qualification or condition precedent to voting, and hence, is beyond the power of Congress to make, unmake, or alter in any way.

Not only is the poll tax a qualification, but also it is a reasonable one. It provides a pertinent test or yard-stick. Why should anyone claim to be qualified to vote who has not enough interest in his own or his neighbors' children to pay less than one-half a cent a day for the support of the public schools of his State? What hope have we that such a person would post himself on the candidates and issues involved and would perform his duties in an intelligent manner as a voter even if he qualified? If any person places no higher value upon the privilege of voting than is indicated by failure to pay a poll tax of a dollar or two a year, it is doubtful if such a person would prove a good elector under any circumstances. One who values the personal privilege of suffrage at less than one cent a day surely has little interest in voting. Especially is this true when, in States like Alabama, every cent of the poll-tax money goes to the cause of education. [Here the gavel fell.]

EXTENSION OF REMARKS

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial from the Red Oak Express by Ralph Overholser.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a platform adopted by the Young Democrats at their convention held in New York recently.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[The matter referred to appears in the Appendix.]

PERMISSION TO ADDRESS THE HOUSE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative business of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that today, at the conclusion of the legislative program of the day and following any special orders

heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. FISH asked and was given permission to extend his own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I believe everyone will agree that the morale of the country at large has been greatly improved and enhanced as a result of the highly successful inspection trip just made by the President of the United States. I think the President of the United States was acting as the spokesman of all the people in the country yesterday when he voiced some criticism of several different minority groups. He criticized not only the minority groups in the newspaper and the radio fields and in the Congress but also his own subordinates. In view of that, I say that he spoke the voice of the American people, and that his criticism of these four minority groups is entirely justified. In other words, in my opinion, the President grabbed the ball and made a touchdown. I am certainly glad that I am on his side and that I have supported him through all these trying months. [Here the gavel fell.]

A TIME FOR TEAMWORK

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I believe the Members of the House will agree that I am generally restrained in my references to the President, yet after what has been said and in view of the remarks of the gentleman from Pennsylvania I wish to make a comment.

It may be true that the President has grabbed the ball and made a touchdown, as the gentleman has said, but my experience in football was that it was never good teamwork or strategy for the captain, or the quarterback, to kick the rest of the team around nor to use the players on his team for a football.

If we are going to win this war, the coordinate branches of the Government must win this fight working together.

The fact is that the reason the Congress has taken a little time to look over this anti-inflation bill is that a year ago when the matter first came up, the President opposed the inclusion of anything to control wages. A ceiling on farm prices related to parity was placed in that bill. It may have been too high, but the ceiling was there. The Price Control Act,

however, specifically prohibited doing anything about wages or salaries. Some of us at the time voted against the bill because it attempted to put a ceiling at the end sale without stabilizing wages and certain other items that must enter into costs. The bill became law in that form and now we have the job of correcting that mistake. The President told the country about it in his Labor Day address but presented a one-sided picture, throwing the onus of a spiraling inflation on the farmer, and paying no attention to the fact that the Price Control Act was breaking down because of the exemptions written into the act by administration request, a year ago. Indeed, he told the Congress to lower the ceiling on farm prices and leave wage controls to him. So, it is not to be wondered at, that Congress as a coordinate branch of the Government and a member of the team has wanted to play its part, too. This is a time for teamwork and no grandstanding by anybody, not even by the quarterback.

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. DUNCAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. DUNCAN. Mr. Speaker, it is not my purpose now nor will it be to be giving out statements in reply to people who make political statements or speeches but Mr. Frank Gannett, assistant chairman of the Republican National Committee Wednesday enlisted, theoretically, in the board of military strategy, by telling a gathering of Congressmen of his party, and his executive committee what this country should do to win the war.

Possibly he was actuated by the martial declarations of Finance Director Pettigill, and Executive Director and Publicity Chief Kelland, of the Republican high command, in which they arraigned the administration and practically accused the Commander in Chief of at least bad faith. The author-politician made this charge:

There seems to be a disposition on the part of the powers that be to postpone an all-out war effort, with the sacrifices it entails by the public until after the elections. There seems to be apprehension lest the asking of necessary sacrifices now may have a political effect and loss of votes.

This statement got newspaper headlines, but some of the solidest of their own newspapers were horrified at the implication and scolded them about it.

Mr. Gannett boldly announces decisions on questions over which our highest military authorities have been debating and differing for a generation, but the up-state New York publisher knows all the answers. He insists we should have a unified command. In my own nonmilitary mind I have always supposed the President, Commander in Chief under the Constitution, was the unified commander. Mr. Gannett demands a separate air department, which

Involves the addition of one more branch of the Cabinet. For all I know he may be right in this, but, I doubt if either he or I is competent to make such a decision on which the chiefs of the armed forces, whom we educated to guide us in such matters hold diverse opinions. He even tells the Army general staff and the Naval chief of operations how many pilots we need.

For the rest of the speech, charging the administration with fumbling the war, meaning to control the press, and so forth, the Republican vice chairman is well within his functions as a politico. Those are the things he is expected to say—possibly he construes them as being in accord of eliminating politics for the duration—but what education or other qualification have these self-appointed desk admirals and generals to dictate on military matters?

EXTENSION OF REMARKS

Mr. GRANT of Indiana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein some short quotations.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

(Mr. SHAFER of Michigan asked and was given permission to revise and extend his own remarks in the RECORD.)

Mr. JARMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

[The matter referred to appears in the Appendix.]

(Mr. RANDOLPH asked and was given permission to revise and extend his own remarks in the RECORD.)

PERMISSION TO ADDRESS THE HOUSE

[Mr. RANKIN of Mississippi addressed the House. His remarks appear in the Appendix of today's RECORD.]

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. VOORHIS of California addressed the House. His remarks appear in the Appendix of today's RECORD.]

(Mr. VOORHIS of California asked and was given permission to revise and extend his own remarks in the RECORD.)

ORDER OF BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it be in order for the remainder of the day for the Speaker to declare recesses and the House to meet at the call of the Chair on 15-minute notice to the Members.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I

think at this time it might be well for the majority leader to notify the House of the program for next week.

Mr. McCORMACK. I shall be very pleased to do that.

Monday, of course, there will be the call of the Consent Calendar.

Mr. MARTIN of Massachusetts. Are there to be any suspensions?

Mr. McCORMACK. Yes; I am glad the gentleman has asked that question. The gentleman from Mississippi [Mr. RANKIN] gave notice the other day of a suspension on a bill out of his committee relating to the hospitalization of certain veterans of the present war. This will be brought up under suspension of the rules unless, of course, it may be passed by unanimous consent.

Mr. MARTIN of Massachusetts. It does not appear to be very controversial.

Mr. McCORMACK. From every indication I have seen on the few occasions it has been sought to be brought up, there does not seem to be much serious opposition.

The same day I hope to bring up S. 2471. That is a bill to amend the famous or infamous Hatch Act, according to how one looks at it, to exempt teachers from the operations of that act. If that bill does come up Monday and is debated, if there is to be a roll call upon it, it is my intention, if it is agreeable to my distinguished friend the gentleman from Massachusetts [Mr. MARTIN], that the vote be taken on Tuesday.

Mr. MARTIN of Massachusetts. That will be agreeable. Would there be any opportunity to amend that legislation to be presented on Monday? That is, we might want to go a little further.

Mr. McCORMACK. I am unable to answer that. Of course, that question would depend somewhat upon the germaneness of the amendment that might be presented, and, if the amendment is not germane, whether anybody raises the point of order.

Mr. MARTIN of Massachusetts. Of course, if it is an amendment to the Hatch Act, almost anything would be germane, according to my parliamentary knowledge.

Mr. McCORMACK. The main thing is I am advising the House that I am in hopes that that bill will be brought up on Monday. Then, if there is to be a roll call, that the vote will go over until Tuesday. In any event, if it is not brought up Monday, it is the intention to bring it up some time next week.

Mr. MARTIN of Massachusetts. The bill comes up under a rule.

Mr. McCORMACK. Yes. On Tuesday there is a call of the individual bills on the Private Calendar, and thereafter a call of the omnibus private bills. The House agreed to that one day earlier in the week. Then there is a deficiency appropriation bill which I am in hopes will be brought up either Wednesday or Thursday. I notice the distinguished gentleman from Virginia [Mr. WOODRUM] is present in the Chamber. I wonder if he could give the House any information, in the absence of the chairman of the subcommittee, as to when this bill is likely to come up.

Mr. WOODRUM of Virginia. We hope to have it on Wednesday or Thursday—probably Thursday.

Mr. MARTIN of Massachusetts. Does the gentleman think that we can pass it on Thursday?

Mr. WOODRUM of Virginia. I think so.

Mr. McCORMACK. That is the program for next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RECESS

The SPEAKER. Under previous order of the House, the Chair declares the House in recess, subject to the call of the Chair.

Thereupon (at 12 o'clock and 49 minutes p. m.) the House stood in recess, subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 4 o'clock and 45 minutes p. m.

PRICE-CONTROL LEGISLATION

Mr. STEAGALL submitted the following conference report and statement on the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this Act, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may, except as otherwise provided in this Act, thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities: *Provided*, That no common carrier or other public utility shall make any general increase in its rates or charges which were in effect on September 15, 1942, unless it first gives thirty days notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State, or municipal authority having jurisdiction to consider such increase."

"Sec. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this Act; and may exercise any power or authority conferred upon him by this Act through such department, agency, or officer as he shall direct. The President may suspend the provisions of sections 3 (a) and 3 (c), and clause (1) of section 302 (c),

of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this Act, but he may not under the authority of this Act suspend any other law or part thereof.

"SEC. 3. No maximum price shall be established or maintained for any agricultural commodity under authority of this Act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

"(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner), or

"(2) The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use;

"and no maximum price shall be established or maintained under authority of this Act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefore equal to the higher of the prices specified in clauses (1) and (2) of this section: *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section: *Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *Provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this Act, adequate weighting shall be given to farm labor.

"SEC. 4. No action shall be taken under authority of this Act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942: *Provided*, That the President may, without regard to the

limitation contained in clause (2), adjust wages or salaries to the extent that he finds necessary in any case to correct gross inequities and also aid in the effective prosecution of the war.

"SEC. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this Act. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

"(b) Nothing in this Act shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

"(c) The President shall have power by regulation to limit or prohibit the payment of double time except when, because of emergency conditions, an employee is required to work for seven consecutive days in any regularly scheduled work week.

"SEC. 6. The provisions of this Act (except sections 8 and 9), and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

"SEC. 7. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out 'June 30, 1943' and substituting 'June 30, 1944'.

"(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such Act shall, insofar as they are not inconsistent with the provisions of this Act, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this Act.

"(c) Nothing in this Act shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except to the extent that such provisions are suspended under authority of section 2), or to invalidate any regulation, price schedule, or order issued or effective under such Act.

"SEC. 8. (a) The Commodity Credit Corporation is authorized and directed to make available upon any crop of the commodities cotton, corn, wheat, rice, tobacco, and peanuts harvested after December 31, 1941, and before the expiration of the two-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated, if producers have not disapproved marketing quotas for such commodity for the marketing year beginning in the calendar year in which such crop is harvested, loans as follows:

"(1) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 90 per centum of the parity price for the commodity as of the beginning of the marketing year;

"(2) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 per centum of the rate specified in (1) above;

"(3) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 per centum of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

"(b) All provisions of law applicable with respect to loans under the Agricultural Ad-

justment Act of 1938, as amended, shall, insofar as they are not inconsistent with the provisions of this section, be applicable with respect to loans made under this section."

(c) In the case of any commodity with respect to which loans may be made at the rate provided in paragraph (1) of subsection (a), the President may fix the loan rate at any rate not less than the loan rate otherwise provided by law if he determines that the loan rate so fixed is necessary to prevent an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war.

"SEC. 9. (a) Section 4 (a) of the Act entitled 'An Act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes,' approved July 1, 1941 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a-8), is amended—

"(1) By inserting after the words 'so as to support' a comma and the following: 'during the continuance of the present war,' and until the expiration of the 2-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated,'

"(2) By striking out '85 per centum' and inserting in lieu thereof '90 per centum'.

"(3) By inserting after the word 'tobacco' a comma and the word 'peanuts'.

"(b) The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such section 4 (a), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a).

"SEC. 10. When used in this Act, the terms 'wages' and 'salaries' shall include additional compensation, on an annual or other basis, paid to employees by their employers for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees.

"SEC. 11. Any individual, corporation, partnership, or association willfully violating any provision of this Act, or of any regulation promulgated thereunder, shall, upon conviction thereof, be subject to a fine of not more than \$1,000, or to imprisonment for not more than one year, or to both such fine and imprisonment."

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the bill.

HENRY B. STEAGALL,
CLYDE WILLIAMS,
BRENT SPENCE,
JESSE P. WOLCOTT,
CHARLES L. GIFFORD,

Managers on the part of the House.

ROBERT F. WAGNER,
ALBEN W. BARKLEY,
J. H. BANKHEAD,
PRENTISS M. BROWN,
FRANCIS MALONEY,
ROBERT A. TAFT,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7565) to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House bill and the substitute agreed to in conference are in general substantially similar but they differ in a number of respects, as follows:

Section 1 of the House bill directed that stabilization shall so far as practicable be on the basis of levels which existed on August 15, 1942. The conference substitute directs that stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942.

The conference substitute directs that the President shall issue, before November 1, 1942, a general order stabilizing prices, wages, and salaries affecting the cost of living. No such requirement was included in the House bill.

In section 1 of the House bill the President's authority to make adjustments was confined to the making of adjustments "to the extent that he finds necessary to correct gross inequities." In the conference substitute this authority is given "to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities."

In section 1 of the conference substitute there is included a provision requiring that no common carrier or public utility shall make any general increase in its rates or charges which were in effect on September 15, 1942, unless 30 days' notice is given to the President or to such agency as he may designate, and consent is given for the intervention by such agency before the public body having jurisdiction of the matter. The House bill contained no such provision.

Section 3 of the House bill provided that for the purposes of the act parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor. This provision is not contained in the conference substitute. The provision in the conference substitute relating to this subject appears in section 3. It makes no change in the parity formula provided for under present law. It provides that modifications shall be made in maximum prices established for any agricultural commodity, and for any commodity processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum price so established will not reflect such increased costs. There is also included the same provision contained in the House bill relating to the fair and equitable allowance of a margin for the processing of agricultural commodities. There is also included a provision to the effect that in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, adequate weighting shall be given farm labor.

The provisions of section 4 of the conference substitute, placing limitations upon the authority which may be exercised under the act with respect to wages and salaries, follow the provisions of the Senate amendment, except that the President's authority to make adjustments may be exercised only to the extent that he finds necessary in any case to correct gross inequities and also aid in the effective prosecution of the war.

In order to carry out the recommendations of the President with respect to establishing a floor for the prices of agricultural commodities, the conference substitute contains provisions which raise the loan rate for basic agricultural commodities to 90 percent of the parity price therefor; except that the Presi-

dent is authorized to fix the loan rate for any commodity at any rate not less than that otherwise provided by law if he determines that such action is necessary to prevent an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war. The loan rates provided for in the conference substitute are to be maintained until the expiration of a 2-year period after the end of the war. The conference substitute also provides that for a similar period the Secretary of Agriculture shall undertake to maintain at 90 percent of the parity or comparable price the price for any commodity the production of which he has undertaken to encourage.

HENRY B. STEAGALL,
CLYDE WILLIAMS,
BRENT SPENCE,
JESSE P. WOLCOTT,
CHARLES L. GIFFORD,

Managers on the part of the House.

Mr. STEAGALL. Mr. Speaker, I call up the conference report on the bill H. R. 7565, and I ask unanimous consent that the statement may be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the statement.

[Mr. STEAGALL addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. STEAGALL. That is quite true; that provision was in both bills.

Mr. CANNON of Missouri. Mr. Speaker, will the gentleman yield at that point?

Mr. STEAGALL. And let me say in this connection that it is not a parity price we authorize under this legislation. It is such a price as will reflect a parity price to the producer, which is quite a different thing.

I yield to the gentleman from Missouri.

Mr. CANNON of Missouri. May I ask the gentleman if the committee in the course of its consideration of this provision made any determination as to what were the highest prices reached by the various agricultural commodities affected by this bill during the period of January 1 to September 15?

Mr. STEAGALL. That matter was only hastily considered by the Banking and Currency Committee, but there were extended hearings by the Senate committee. I am not in position to give the gentleman the exact figures.

Mr. CANNON of Missouri. Would the gentleman have any objection to my inserting at this point an authoritative report giving the highest prices at which basic agricultural commodities sold in the open market during that period?

Mr. STEAGALL. I should be happy to have the gentleman do so.

Mr. CANNON of Missouri. Mr. Speaker, I thank the gentleman, and ask unanimous consent to insert at this point in the RECORD a letter from the Legislative Reference Service of the Library of Congress which is self-explanatory.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CANNON of Missouri. The letter is as follows:

THE LIBRARY OF CONGRESS,
October 2, 1942.

DEAR CONGRESSMAN CANNON: This is in response to your request of October 1, 1942, for the highest price quoted in the Chicago Tribune for hogs, cattle, wheat, and cotton from January 1 to September 15, 1942.

The highest price hogs reached was \$15.30 per hundred pounds (Chicago market). This was on August 15 and 17.

The highest price cattle reached was \$16.65 per hundred pounds (Chicago market), and this occurred on August 12, 15, 19, 22, and 26. [The highest price steer reached was \$17.25 per hundred pounds. This was reached during the week of April 22-29. This quotation is from the Chicago Journal of Commerce. The Tribune gives only one cattle quotation.]

Wheat (No. 2 hard) reached its peak on January 25, 1942, at a price of \$1.32½ per bushel (St. Louis).

No spot cash quotations on cotton are regularly made in Chicago. The Tribune gives futures only. The highest ten-point spot market price (average of the closing prices at the 10 most important cotton markets) as reported by the raw cotton division of O.P.A. was \$0.2047 per pound on April 9, 1942.

Sincerely yours,
LUCY SALAMANCA MOREY,
Chief, Inquiry Section,
Legislative Reference Service.

Mr. Speaker, may I also call attention to the fact that these prices are controlled prices? The Department of Agriculture and the Office of Price Administration have exerted every effort and exhausted every resource at their command to depress the prices of these commodities at a time when the sky has been the limit on wages, salaries, and profits and bonuses. Advancing under the impetus of the law of supply and demand against every influence the Government could bring to bear, the price of hogs reached \$15.70 at Chicago this morning. In a free market they would have reached 1919 prices long ago.

But, Mr. Speaker, the farmers do not ask the prices they received in the last war—although labor and industry are receiving more than twice what they received in the last war. But they do ask bare parity and barely enough to pay the increase in the labor costs.

Donald Nelson told a House committee yesterday that the farmers are doing the best job of any group in America—and they have not stopped work while their prices were being determined. Surely they deserve something more than the unwarranted, unjust, and unbridled abuse heaped upon them by those they have served best.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. O'CONNOR. I am reading on page 9 of the bill:

That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing.

Does the language reported back by the conference committee provide that the President shall give weighted consideration to increased cost of labor as it enters into the price of farm commodi-

ties at their source as well as into the processing of farm commodities?

Mr. STEAGALL. It does.

Mr. RANKIN of Mississippi. Mr. Speaker, will the gentleman yield at that point?

Mr. STEAGALL. I yield.

Mr. RANKIN of Mississippi. Does that contemplate that in doing so the President will allow the individual farmer to include his own wages? Or does that just mean the wages of the man he hires to work for him?

Mr. STEAGALL. As I understand this language it was intended to embrace all farm labor. I do not see how anyone could contend that you could give adequate weighting to farm labor without considering all farm labor, and that provision relates to the price-fixing powers carried in this bill.

Mr. RANKIN of Mississippi. All right; as the gentleman understands it then, it includes the wages for the farmer who does his own work.

Mr. STEAGALL. Quite right.

Mr. RANKIN of Mississippi. If it does, you will more than double the price of farm commodities to bring him up to the level of industrial labor.

Mr. STEAGALL. No; the gentleman is entirely mistaken. Various figures have been given along this line but I have not yet heard any figure that approaches that suggested by the gentleman from Mississippi.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. CRAWFORD. I hold in my hand a copy of the comparative print of the bill. Referring to page 2, line 3, section 3, did the conferees change the language of section 3 as passed by the Senate?

Mr. STEAGALL. Yes; that language was changed.

Mr. CRAWFORD. Will the chairman tell us in what respect?

Mr. STEAGALL. It was not materially changed from his standpoint, I may say to the gentleman.

Mr. CRAWFORD. May I say that the gentleman from Michigan [Mr. WOODCOCK], takes the position that it was not altered. I want to get the matter clear.

Mr. STEAGALL. Yes. If the gentleman will turn to the provisions of the bill he will see that the President is empowered to adjust wages, salaries, and prices to correct gross inequities. That language was changed not to effect a surplus but as a safeguard. The purpose was to make certain that the limitations in other portions of the bill would apply to the exercise of the powers conferred in that provision respecting adjustment to correct gross inequities or to aid in the prosecution of the war.

Mr. CRAWFORD. If the chairman will permit, may I substitute a similar question with reference to section 4?

Mr. STEAGALL. Certainly.

Mr. CRAWFORD. To what extent was that changed by the conferees?

Mr. STEAGALL. That provision was changed exactly as was the language in the provision to which I referred in section 1.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield for a question on section 4?

Mr. STEAGALL. Yes.

Mr. CASE of South Dakota. During the consideration of the bill in the House the gentleman will remember I offered an amendment to strike out a provision relating to the Little Steel formula, so-called. My understanding is that as the Senate passed the bill they did not embody the Little Steel formula, and the conference report does not restore it.

Mr. STEAGALL. That is quite right; the Senate adopted a different standard that is embodied in the conference report.

Mr. CASE of South Dakota. Then the authority of the administrator in the new act is not tied to the Little Steel formula.

Mr. STEAGALL. It is not. In lieu of that the provision operates to prevent action where wages and salaries have not reached the highest point in any work between the 1st of January 1942 and the 15th day of September 1942; and I say to the gentleman that the advocates of that provision say that the purpose was to bring that provision into harmony with the provision applied to farm commodities.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. MARTIN of Massachusetts. Can the distinguished chairman assure the House, or give the House any information, as to whether this legislation as it now stands is acceptable to the administration?

Mr. STEAGALL. I have no reason whatever to answer the gentleman except in the affirmative. I have not had a direct expression from the Chief Executive in that regard, but I think I would be safe in saying there need be no fear that this legislation will not be approved as embodied in the conference report.

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Connecticut.

Mr. KOPPLEMANN. I want to make a comment and ask the gentleman's observation.

This bill is an improvement over the measure passed by the House on September 23. I wish the conferees had retained definite legal safeguards for the millions of white-collar employees who cannot be classed as war workers, and whose wages thus far have not increased either in accordance with the standards set up by the War Labor Board, or to adequately meet the increased cost of living. I hope the President will find he has sufficient authority under this bill to handle this problem equitably.

In the interest of speedy action to combat inflation I support this bill.

I would appreciate the gentleman's comment on my statement.

Mr. STEAGALL. My comment is, I am glad the gentleman is going to support the bill at this time.

Mr. SACKS. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Pennsylvania.

Mr. SACKS. In the House bill we had the clause protecting, as the preceding speaker stated, those millions who have not had a raise from January 1, 1941, until the passage of this bill.

Mr. STEAGALL. I may say to the gentleman, if that is his question, it is still carried in the bill with its possibilities for enormous inflation in the United States, which I will not go into further.

Mr. SACKS. I do not know about inflation, but they ought to be protected.

Mr. BOREN. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Oklahoma.

Mr. BOREN. The language that the gentleman has just explained as a substitute for the Brown amendment means that the Brown amendment is taken out; is that correct?

Mr. STEAGALL. I have just explained that.

Mr. BOREN. There was an amendment inserted that was designed to take from State corporation commissions power over rate making.

Mr. STEAGALL. That provision is not retained in the bill. In lieu of that proposal, and I am reliably informed that this is acceptable to the author and to those who favored it in committee, there is in this legislation a provision which requires that the various governmental agencies dealing with rates of utilities and common carriers shall give notice to the President for 30 days in order that the administration may intervene to express views in connection with such proposals.

Mr. COX. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Georgia.

Mr. COX. As to the effect, good or bad, that this bill has on the farmers of the country, everything depends upon administration, is that not true?

Mr. STEAGALL. Undoubtedly that is true of this legislation and it is true of almost every measure that the Congress passes, but may I say to the gentleman that I think we can trust the administration to follow reasonably well at least the expressed intent of Congress and may I say further to the gentleman that in my opinion this bill, everything considered, is better legislation for agriculture in the United States than the present law. May I say something else in that connection?

Mr. COX. Will the gentleman permit another observation? I am not protesting, the gentleman understands; I am hopeful that we will get a sympathetic administration.

Mr. STEAGALL. May I say, Mr. Speaker, if nothing else has been accomplished, the consideration of this legislation has developed facts before the American people that they are entitled to have and which they have not been given until their representatives saw fit to bring them out and present them to the people of the United States. If we have not accomplished anything else in the time we have expended on this, the time would be more than a hundredfold justified by those revelations.

Mr. Speaker, much has been said about the farm lobby. As one Member of this House, I thank God that we have a farm lobby in the United States and I hope we keep it. The farmers of this Nation were victimized and impoverished for more than a half century. While they stayed at home and worked, others controlled legislation and the administration of the law by the employment of hired lobbyists in Washington. It is only since farmers have had some organization and some representation here that we have been able to achieve a small comparative measure of justice for the farmers of the United States.

I take my hat off to the heads of these organizations who have endorsed this legislation. I want to incorporate here a statement from them as a part of my remarks and to pay tribute to Albert S. Goss, master, the National Grange; Edward A. O'Neal, president, American Farm Bureau Federation; C. C. Teague, president, National Council of Farmer Cooperatives; and Charles W. Holman, secretary, National Cooperative Milk Producers Federation.

These men are not profiteers, these men do not represent inflationary tendencies. These men are patriotic citizens of the United States who are striving to secure justice for the people who toil to produce the wealth upon which we live and which is indispensable to the prosecution of the great war in which this Nation is engaged. As a citizen of Alabama I am proud to pay tribute to Ed O'Neal of that State, a citizen who is highly honored there, with a long line of forebears running back for almost a century who have enjoyed the confidence and the highest honors at the hands of the people of Alabama. I pay tribute to him as a citizen of Alabama, I am proud of him, and I am proud of the work the representatives of the farmers of this country have been able to do in Washington, notwithstanding the vituperative methods employed to undertake to run them out of the country.

Mr. RANKIN of Mississippi. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Mississippi.

Mr. RANKIN of Mississippi. May I ask the gentleman from Alabama one question? On page 8, line 25, there was a provision inserted by the Senator from Nebraska [Mr. NORRIS] which reads as follows:

Provided, That rates charged by any common carrier or other utility on September 15, 1942, shall not be increased without the consent of the President.

That is the only brake that has been put in this bill on utility rates. They fix the price of everything else. Now they put a ceiling on farm prices, they put a ceiling on the price of every other commodity and turn these utilities loose. I would like to know what was done with that amendment in conference?

Mr. STEAGALL. I have just explained to the gentleman what was done with that amendment.

Mr. McKEOUGH. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Illinois.

Mr. McKEOUGH. In view of the reference made by the distinguished chairman of the committee to the statement prepared by those to whom he referred as representing the farm interests, I wonder if the gentleman will be gracious enough to read the statement for the benefit of the House, inasmuch as he has secured unanimous consent to include it as a part of his remarks.

Mr. STEAGALL. In the interest of saving time, I hope the gentleman will not insist on that. It will be available for everybody to read tomorrow.

Mr. McKEOUGH. It is very brief. I thought the House might like to hear it.

Mr. STEAGALL. It would take several minutes to read it.

Before I conclude, may I say to the gentleman from Mississippi that the original price-control bill had certain specific exemptions. One of them was wages, another was common carriers and utilities. That legislation has never been considered by the Committee on Banking and Currency in a way that legislation of such far-reaching importance and with so many technical ramifications ought to be considered.

Mr. RANKIN of Mississippi. This is the only opportunity we have had to put a ceiling over the rising spiral of utility rates that is likely to take place now.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. The gentleman from Alabama, the able chairman of this committee, had charge of this legislation when it was being considered in the House originally. After the passage of the bill, much of the press of the country referred to the Members of the House who supported the Brown amendment as inflationists. May I ask the gentleman, who as chairman of the committee was in charge of this legislation, and who knows personally most of the Members who supported the Brown amendment, whether or not he considers them to be inflationists?

Mr. STEAGALL. If I were to answer the gentleman as fully as I might, it would take a little time. I can say most emphatically that I know they are not. I can say also that I do not know anybody who is in favor of inflation, or anybody who is opposed to any fair method of restricting and preventing inflation, insofar as it is in the power of Congress to do it.

I could call attention to some of the provisions of this bill which seem to have been forgotten by a great many people and which are highly capable of producing great inflation, but I am not going to take time to do it.

Mr. O'CONNOR. But it was not the Brown amendment.

Mr. STEAGALL. Of course, it was not the Brown amendment.

Mr. Speaker, I now yield 10 minutes to the gentleman from Michigan [Mr. WOLCOTT].

[Mr. WOLCOTT addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. STEAGALL. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. BOREN].

Mr. BOREN. Mr. Speaker, there were at least a dozen amendments to be considered by this conference, not less than four of them highly controversial. I do not charge the committee with any lack of fair-mindedness in bringing them back under the circumstances without giving us an opportunity to see the exact language in the agreements made, but I for one do not find it possible to vote approval of a conference report, the exact language of agreement on at least four greatly controversial matters that are not before me even for examination, and I must oppose this conference report.

The agreements have been discussed here in glittering generalities and outside the half dozen who sat on the conference no one else knows what they really are. I have asked other individual Members of Congress, several dozen of you that are sitting here about to vote now, and all confess a complete lack of knowledge as to the actual provisions.

I cast my votes after careful deliberation on the exact proposals to be considered and no whip of compulsion can stampede me into voting for a bill, the contents of which are not made known to us. These conferees only reached an agreement half an hour ago and even some of the conferees do not have copies of the proposals agreed on and then we are asked to vote without even reading the matter we are called to vote on.

I cannot follow an order to close my eyes and vote blind the dictates of anyone.

The work of Congress is the heartbeat of democracy and not a game of blind-man's buff.

Mr. STEAGALL. Mr. Speaker, I yield 1 minute to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I congratulate the distinguished chairman and the other members of the Banking and Currency Committee for their splendid effort, in what they have accomplished. It has been a difficult job—and they have done well—I am going to vote for the conference report. I think it is a clear direction to the President to consider and give weight to the tremendous increase in cost for labor in producing farm and livestock commodities which, in all justice and fairness to the producer, should and must be done. I feel confident that the President will do this in view of the message that he sent to the Congress wherein he stated:

After all, parity is, by its very definition, a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production, including the cost of labor.

I call attention to some of the debates when the bill was under consideration in the Senate, and I ask the chairman of the Committee on Banking and Currency what he thinks about it. They were discussing what was known as the Thomas amendment in the Senate. Later on Senator BARKLEY introduced a substitute for that amendment, and the Thomas amendment was identical with what was known in the House as the Brown

amendment. The Senator from Kansas referred to the substitute amendment and the Thomas amendment as being tweedledum and tweedledee—in other words, that there is a distinction with no difference. Senator NORRIS, of Nebraska, agreed with that statement—that in substance there was no difference—and the CONGRESSIONAL RECORD contains these statements. I ask the distinguished chairman of the Committee on Banking and Currency if he does not agree with those statements?

Mr. STEAGALL. Mr. Speaker, I certainly do.

The SPEAKER. The time of the gentleman from Montana has expired.

Mr. STEAGALL. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, I know of no conference report that has ever come before this House about which there has been so much confusion in the minds of Members, and I know there are scores of Members here who do not understand exactly what are the provisions with respect to the ceiling on wages. I have conferred with many of them, and I cannot get any exact information. I wish that somebody who knows specifically what the provisions are with respect to the ceiling on wages would explain them so that the Members who are interested in that subject would know how to vote, because I know personally that many of them have not yet decided what to do with respect to this bill. I think it is due to the membership of the House that we have a more complete explanation. In other words, I am afraid that many Members will just toss a coin and vote one way or the other.

Mr. BRADLEY of Pennsylvania. Will the gentleman from Alabama, Chairman of the Committee on Banking and Currency, give that information to the House?

Mr. STEAGALL. Mr. Speaker, if the gentleman will listen I shall read to him the short provision of the bill which I think is fair enough to give him all the information that he desires:

SEC. 4. No action shall be taken under authority of this act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942: *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust wages or salaries to the extent that he finds necessary in any case to correct gross inequities, and also to aid in the prosecution of the war.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. STEAGALL. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, I desire to pay a richly deserved tribute to the able chairman of the Committee on Banking and Currency, the gentleman from Alabama, Mr. STEAGALL, who has borne the burden of this extended and arduous proceeding. It is but another of the many invaluable contributions he has made to the general

welfare in his long and distinguished service in the House. But for him the Nation would today be in a much less advantageous situation and would command a much smaller supply of food and fiber. Through his wise and farsighted statesmanship in encouragement and support of agriculture we have today the greatest supply of agricultural products ever harvested in America—the most essential munition of war. And if he had had his way about this bill, we would have been in still better position to maintain adequate supplies in the future.

It is to be regretted that it was thought necessary to bring in this conference report in the form presented. It ought not be necessary—and it is not necessary—to violate the rules of the House to secure legislation, even this kind of legislation.

As it is, this conference report is subject to a point of order. It contains matter not carried in either the House bill or the Senate bill—matter that is not in disagreement between the two Houses.

The most regrettable feature of it is that the report was submitted sight unseen on a request for unanimous consent for its consideration, a condition which carries with it implied assurance that it contains no illegal matter. Considered under such circumstances it is too late to raise a question of order when the illegal matter is read from the desk.

It is clearly out of order. There is no provision in either House or Senate bill authorizing the President to reduce the 90 percent to 85 percent. To make it all the more emphatic, an amendment to that effect was offered in the Senate and defeated. And yet the conferees, legislating behind closed doors, put that provision in the bill. It is only necessary to glance at V, 6179-6181; 6417-6420; VIII, 3252-3284 of the Precedents of the House. This identical question has been submitted a thousand times and ruled out of order every time.

More than that, the provision is a gross discrimination against two farm products and two sections of the country. Only wheat and corn are to be hampered down. No other farm product is affected. Oh, you may say, those are surplus crops. But there are other surplus crops, cotton for instance, and they are not included. Wheat and corn alone are to be thrown to the lions.

Both the conference report and the manner in which it is presented are disappointing. They are in contravention of the rules of the House; a breach of trust and a heartless desertion of two branches of agriculture.

But, Mr. Speaker, I propose to vote for the conference report. It is nothing new for the farmer to be discriminated against. And he never holds a grudge; he never harbors resentment. No matter how little you pay him, how long his hours, he never stops. He goes right along feeding the Nation, as loyal and as faithful as the North Star. And we are going along here, Every farmer will continue to produce as best he can. But when he can no longer produce a dollar's worth for 85 cents and food supplies drop below military requirements, remember you asked for it in this bill.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Speaker, let me say in response to what has just been stated by my good friend from Missouri [Mr. CANNON] I do not share the view that he seems to entertain with respect to the farm labor situation.

The House bill contained a provision for loans up to 90 percent, and those loans were to be continued for a period of 3 years following the termination of the war. The Senate bill contained a provision for loans of 90 percent, during the war. As a compromise the conferees agreed upon the provisions now before us, which directs loans to be made at 90 percent of parity, and that covers all basic commodities and those that are in the same category under existing law. Those loans are to be made for 2 years following the termination of the war, as declared by a Presidential Proclamation or by enactment of the Congress. That was a compromise between the 2 provisions, and I will say to the gentleman from Missouri, sympathizing with his views as I do, that we would have accomplished a great deal when we got this floor under these prices if we had put them all on the basis of the present parity loan of 5 percent. But they are on a 90 percent basis and they are for 2 years after the war, unless the President shall see fit, on those commodities that are used for feed, to reduce them to 85 percent.

Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

Mr. RANKIN of Mississippi. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the adoption of the conference report?

Mr. RANKIN of Mississippi. Oh, yes; Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. RANKIN of Mississippi moves to recommit the conference report to the committee of conference with instructions to the House conferees to accept Senate amendment No. —, on page 1, section 1, of the Senate amendment which reads as follows:

Provided, That rates charged by any common carrier or other utility on September 15, 1942, shall not be increased without the consent of the President.

Mr. STEAGALL. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on agreeing to the conference report.

Mr. BOREN. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER (after counting). Forty-five Members have arisen, not a sufficient number. The yeas and nays are refused.

Mr. PATMAN. Mr. Speaker, I ask for a division.

The question was taken; and there were on a division (demanded by Mr. PATMAN)—ayes 257, noes 22.

So the conference report was agreed to.
A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that all Members who spoke on the conference report on the bill H. R. 7565 may have 5 legislative days in which to revise and extend their own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AUTHORIZATION TO RECEIVE AND SIGN ENROLLED BILLS NOTWITHSTANDING ADJOURNMENT OF HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House the Clerk be authorized to receive a message from the Senate, and the Speaker be authorized to sign the enrolled bill of the House [H. R. 7565], an act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a speech I delivered on last Saturday in my own city.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a speech delivered in Brooklyn.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial printed in the publication The Union Servant.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SACKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a speech delivered by William E. Masterson, professor of law of Temple University.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. MYERS of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a radio address made by myself at the request of the Navy Department.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. McGRANERY. Mr. Speaker, I desire to submit two requests: First, to insert in the RECORD an endorsement by the African Methodist Episcopal Church, and second, to insert two resolutions, one by the Legislature of the State of Pennsylvania and one by the City Council of the City of Philadelphia.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matters referred to appear in the Appendix.]

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to extend my own remarks on the conference report just passed and also ask unanimous consent to extend my own remarks and include an address delivered by Mr. Hitchcock, of Pittsburgh.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matters referred to appear in the Appendix.]

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter addressed to General Hershey, Director of the Selective Service, and Secretary Wickard by Mr. C. L. Beason.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a resolution adopted by the State Council of Young Men's Republican Clubs of Massachusetts.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an article by Roger Babson and another article from the magazine Newsweek by Mr. Robey.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter first referred to appears in the Appendix.]

Mr. BENDER. Mr. Speaker, I desire to submit two unanimous-consent requests: First, to extend my own remarks, and second to extend my remarks on another subject and include an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks on the price-control bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill, the conference report on which has just been agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. ROBSION]?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

(Mr. DITTER and Mr. WICKERSHAM asked and were given permission to extend their own remarks in the RECORD.)

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include certain excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Idaho [Mr. WHITE]?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

EIGHT THOUSAND FIVE HUNDRED ADDITIONAL COPIES OF SENATE PRINT OF H. R. 7378 TO PROVIDE REVENUE

Mr. JARMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 32.

The Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That there shall be printed 8,500 additional copies of the Senate-reported print of the bill (H. R. 7378) to provide revenue, and for other purposes, together with the accompanying report thereon, of which 1,000 copies shall be for the use of the Senate Document Room, 5,000 copies for the use of the House Document Room, 1,000 copies for the use of the Committee on Ways and Means of the House of Representatives, and 1,500 copies for the use of the Committee on Finance of the Senate.

See History

[PUBLIC LAW 729—77TH CONGRESS]

[CHAPTER 578—2D SESSION]

[H. R. 7565]

AN ACT

To amend the Emergency Price Control Act of 1942, to aid in preventing inflation, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this Act, such stabilization shall so far as practicable be on the basis of the levels which existed on September 15, 1942. The President may, except as otherwise provided in this Act, thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to aid in the effective prosecution of the war or to correct gross inequities: *Provided*, That no common carrier or other public utility shall make any general increase in its rates or charges which were in effect on September 15, 1942, unless it first gives thirty days notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State, or municipal authority having jurisdiction to consider such increase.

SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this Act; and may exercise any power or authority conferred upon him by this Act through such department, agency, or officer as he shall direct. The President may suspend the provisions of sections 3 (a) and 3 (c), and clause (1) of section 302 (c), of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this Act, but he may not under the authority of this Act suspend any other law or part thereof.

SEC. 3. No maximum price shall be established or maintained for any agricultural commodity under authority of this Act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner), or

(2) The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or, if the market for such commodity

was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use; and no maximum price shall be established or maintained under authority of this Act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section: *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section: *Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *Provided further*, That in fixing price maximums for agricultural commodities and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this Act, adequate weighting shall be given to farm labor.

SEC. 4. No action shall be taken under authority of this Act with respect to wages or salaries (1) which is inconsistent with the provisions of the Fair Labor Standards Act of 1938, as amended, or the National Labor Relations Act, or (2) for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942: *Provided*, That the President may, without regard to the limitation contained in clause (2), adjust wages or salaries to the extent that he finds necessary in any case to correct gross inequities and also aid in the effective prosecution of the war.

SEC. 5. (a) No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this Act. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

(b) Nothing in this Act shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

(c) The President shall have power by regulation to limit or prohibit the payment of double time except when, because of emergency conditions, an employee is required to work for seven consecutive days in any regularly scheduled work week.

SEC. 6. The provisions of this Act (except sections 8 and 9), and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe.

SEC. 7. (a) Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out "June 30, 1943" and substituting "June 30, 1944".

(b) All provisions (including prohibitions and penalties) of the Emergency Price Control Act of 1942 which are applicable with respect to orders or regulations under such Act shall, insofar as they are not inconsistent with the provisions of this Act, be applicable in the same manner and for the same purposes with respect to regulations or orders issued by the Price Administrator in the exercise of any functions which may be delegated to him under authority of this Act.

(c) Nothing in this Act shall be construed to invalidate any provision of the Emergency Price Control Act of 1942 (except to the extent that such provisions are suspended under authority of section 2), or to invalidate any regulation, price schedule, or order issued or effective under such Act.

SEC. 8. (a) The Commodity Credit Corporation is authorized and directed to make available upon any crop of the commodities cotton, corn, wheat, rice, tobacco, and peanuts harvested after December 31, 1941, and before the expiration of the two-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated, if producers have not disapproved marketing quotas for such commodity for the marketing year beginning in the calendar year in which such crop is harvested, loans as follows:

(1) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 90 per centum of the parity price for the commodity as of the beginning of the marketing year;

(2) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 per centum of the rate specified in (1) above;

(3) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 per centum of the rate specified in (1) above and only on so much of the commodity as would be subject to penalty if marketed.

(b) All provisions of law applicable with respect to loans under the Agricultural Adjustment Act of 1938, as amended, shall, insofar as they are not inconsistent with the provisions of this section, be applicable with respect to loans made under this section.

(c) In the case of any commodity with respect to which loans may be made at the rate provided in paragraph (1) of subsection (a), the President may fix the loan rate at any rate not less than the loan rate otherwise provided by law if he determines that the loan rate so fixed is necessary to prevent an increase in the cost of feed for livestock and poultry and to aid in the effective prosecution of the war.

SEC. 9. (a) Section 4 (a) of the Act entitled "An Act to extend the life and increase the credit resources of the Commodity Credit Corporation, and for other purposes", approved July 1, 1941 (U. S. C., 1940 edition, Supp. I, title 15, sec. 713a-8), is amended—

(1) By inserting after the words "so as to support" a comma and the following: "during the continuance of the present war and until the expiration of the two-year period beginning with the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated,".

(2) By striking out "85 per centum" and inserting in lieu thereof "90 per centum".

(3) By inserting after the word "tobacco" a comma and the word "peanuts".

(b) The amendments made by this section shall, irrespective of whether or not there is any further public announcement under such section 4 (a), be applicable with respect to any commodity with respect to which a public announcement has heretofore been made under such section 4 (a).

SEC. 10. When used in this Act, the terms "wages" and "salaries" shall include additional compensation, on an annual or other basis, paid to employees by their employers for personal services (excluding insurance and pension benefits in a reasonable amount to be determined by the President); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees.

SEC. 11. Any individual, corporation, partnership, or association willfully violating any provision of this Act, or of any regulation promulgated thereunder, shall, upon conviction thereof, be subject to a fine of not more than \$1,000, or to imprisonment for not more than one year, or to both such fine and imprisonment.

Approved, October 2, 1942.

The ...
E. L. ...



Director in discharging his responsibilities.
supply available information, data, and services required by the
economic policy. All such Federal departments and agencies shall

(OVER)

Subject to the directives on policy of the Director,
3. the price of agricultural commodities shall be established or
maintained or adjusted jointly by the Secretary of Agriculture

TITLE III

Administration of Wage and Salary Policy

1. Except as modified by this Order, the National War Labor Board shall continue to perform the powers, functions, and duties conferred upon it by Executive Order No. 9017, and the

(OVER)

for such activities, but such administration shall conform to the directives on policy issued by the Director.

TITLE II

Wage and Salary Stabilization Policy

1. No increases in wage rates, granted as a result of voluntary agreement, collective bargaining, conciliation, arbitration, or otherwise, and no decreases in wage rates, shall be

"Justice Byrnes' patriotic action in accepting this appointment deserves the praise and commendation of all our citizens."

(OVER)

H
FOR THE PRESSIMMEDIATE RELEASE
EXECUTIVE ORDER 9250

OCTOBER 3, 1942

The President, last night, immediately after signing the anti-inflation bill passed by the Congress yesterday, instructed Price Administrator Henderson to fix rent ceilings throughout the entire United States in all areas, city and rural alike. A copy of this letter to the Price Administrator is attached.

He also issued instructions to the Price Administrator to place ceilings immediately upon all agricultural commodities which were exempt under the original Emergency Price Control Act but which are no longer exempt under the statute passed yesterday. These commodities include chickens, eggs, cheese, butter, potatoes, and flour. A copy of the President's letter is attached hereto.

The President issued the following statement with reference to the statute:

"The Congress has done its part in helping substantially to stabilize the cost of living. The new legislation removes the exemption of certain foods, agricultural commodities and related products from the price controls of the Emergency Price Control Act, with the result that I have today taken action to stabilize 90% of the country's food bill. It leaves the parity principle unimpaired. It reaffirms the powers of the executive over wages and salaries. It establishes a floor for wages and for farm prices.

"I am certain that from now on this substantial stabilization of the cost of living will assist greatly in bringing the war to a successful conclusion, will make the transition to peace conditions easier after the war, and will receive the wholehearted approval of farmers, workers and housewives in every part of the country."

Today the President signed an executive order relating to wages, salaries, profits, and farm prices. A copy of the executive order is attached.

The President today announced the appointment of Mr. Justice James F. Byrnes as the Director of Economic Stabilization. Mr. Justice Byrnes has resigned from the Supreme Court to accept this position.

The President in announcing the appointment of Justice Byrnes said:

"Justice Byrnes is one of the foremost authorities in governmental administration in the United States. He knows the economic problems of this country whether they concern labor, the farmer, the consumer, the small retail store, or the manufacturer. I would never have asked him to resign from the Supreme Court were it not for the fact that this job is one of the most important positions in this country. I know the American people can be sure that in keeping down the cost of living he will be fair to everyone.

EXECUTIVE ORDER

9250

PROVIDING FOR THE STABILIZING OF THE NATIONAL ECONOMY

By virtue of the authority vested in me by the Constitution and the statutes, and particularly by the Act of October 2, 1942, entitled "An Act to Amend the Emergency Price Control Act of 1942, to Aid in Preventing Inflation, and for Other Purposes", as President of the United States and Commander in Chief of the Army and Navy, and in order to control so far as possible the inflationary tendencies and the vast dislocations attendant thereon which threaten our military effort and our domestic economic structure, and for the more effective prosecution of the war, it is hereby ordered as follows:

TITLE I

Establishment of an Office of Economic Stabilization

1. There is established in the Office for Emergency Management of the Executive Office of the President an Office of Economic Stabilization at the head of which shall be an Economic Stabilization Director (hereinafter referred to as the Director).
2. There is established in the Office of Economic Stabilization an Economic Stabilization Board with which the Director shall advise and consult. The Board shall consist of the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Bureau of the Budget, the Price Administrator, the Chairman of the National War Labor Board, and two representatives each of labor, management, and farmers to be appointed by the President. The Director may invite for consultation the head of any other department or agency. The Director shall serve as Chairman of the Board.
3. The Director, with the approval of the President, shall formulate and develop a comprehensive national economic policy relating to the control of civilian purchasing power, prices, rents, wages, salaries, profits, rationing, subsidies, and all related matters -- all for the purpose of preventing avoidable increases in the cost of living, cooperating in minimizing the unnecessary migration of labor from one business, industry, or region to another, and facilitating the prosecution of the war. To give effect to this comprehensive national economic policy the Director shall have power to issue directives on policy to the Federal departments and agencies concerned.
4. The guiding policy of the Director and of all departments and agencies of the Government shall be to stabilize the cost of living in accordance with the Act of October 2, 1942; and it shall be the duty and responsibility of the Director and of all departments and agencies of the Government to cooperate in the execution of such administrative programs and in the develop-

authorized unless notice of such increases or decreases shall have been filed with the National War Labor Board, and unless the National War Labor Board has approved such increases or decreases.

2. The National War Labor Board shall not approve any increase in the wage rates prevailing on September 15, 1942, unless such increase is necessary to correct maladjustments or inequalities, to eliminate substandards of living, to correct gross inequities, or to aid in the effective prosecution of the war.

Provided, however, that where the National War Labor Board or the Price Administrator shall have reason to believe that a proposed wage increase will require a change in the price ceiling of the commodity or service involved, such proposed increase, if approved by the National War Labor Board, shall become effective only if also approved by the Director.

3. The National War Labor Board shall not approve a decrease in the wages for any particular work below the highest wages paid therefor between January 1, 1942 and September 15, 1942, unless to correct gross inequities and to aid in the effective prosecution of the war.

4. The National War Labor Board shall, by general regulation, make such exemptions from the provisions of this title in the case of small total wage increases or decreases as it deems necessary for the effective administration of this Order.

5. No increases in salaries now in excess of \$5,000 per year (except in instances in which an individual has been assigned to more difficult or responsible work), shall be granted until otherwise determined by the Director.

6. No decrease shall be made in the salary for any particular work below the highest salary paid therefor between January 1, 1942 and September 15, 1942 unless to correct gross inequities and to aid in the effective prosecution of the war.

7. In order to correct gross inequities and to provide for greater equality in contributing to the war effort, the Director is authorized to take the necessary action, and to issue the appropriate regulations, so that, insofar as practicable, no salary shall be authorized under Title III, Section 4 to the extent that it exceeds \$25,000 after the payment of taxes allocable to the sum in excess of \$25,000. Provided, however, that such regulations shall make due allowance for the payment of life insurance premiums on policies heretofore issued, and required payments on fixed obligations heretofore incurred, and shall make provision to prevent undue hardship.

8. The policy of the Federal Government, as established in Executive Order No. 9017 of January 12, 1942, to encourage free collective bargaining between employers and employees is reaffirmed and continued.

9. Insofar as the provisions of Clause (1) of section

functions of said Board are hereby extended to cover all industries and all employees. The National War Labor Board shall continue to follow the procedures specified in said Executive Order.

2. The National War Labor Board shall constitute the agency of the Federal Government authorized to carry out the wage policies stated in this Order, or the directives on policy issued by the Director under this Order. The National War Labor Board is further authorized to issue such rules and regulations as may be necessary for the speedy determination of the propriety of any wage increases or decreases in accordance with this Order, and to avail itself of the services and facilities of such State and Federal departments and agencies as, in the discretion of the National War Labor Board, may be of assistance to the Board.

3. No provision with respect to wages contained in any labor agreement between employers and employees (including the Shipbuilding Stabilization Agreements as amended on May 16, 1942, and the Wage Stabilization Agreement of the Building Construction Industry arrived at May 22, 1942) which is inconsistent with the policy herein enunciated or hereafter formulated by the Director shall be enforced except with the approval of the National War Labor Board within the provisions of this Order. The National War Labor Board shall permit the Shipbuilding Stabilization Committee and the Wage Adjustment Board for the Building Construction Industry, both of which are provided for in the foregoing agreements, to continue to perform their functions therein set forth, except insofar as any of them is inconsistent with the terms of this Order.

4. In order to effectuate the purposes and provisions of this Order and the Act of October 2, 1942, any wage or salary payment made in contravention thereof shall be disregarded by the Executive Departments and other governmental agencies in determining the costs or expenses of any employer for the purpose of any law or regulation, including the Emergency Price Control Act of 1942 or any maximum price regulation thereof, or for the purpose of calculating deductions under the Revenue Laws of the United States or for the purpose of determining costs or expenses under any contract made by or on behalf of the Government of the United States.

TITLE IV

Prices of Agricultural Commodities

1. The prices of agricultural commodities and of commodities manufactured or processed in whole or substantial part from any agricultural commodity shall be stabilized, so far as practicable, on the basis of levels which existed on September 15, 1942 and in compliance with the Act of October 2, 1942.

2. In establishing, maintaining or adjusting maximum prices for agricultural commodities or for commodities processed or manufactured in whole or in substantial part from any agricultural commodity, appropriate deductions shall be made from parity price or comparable price for payments made under the Soil Conservation and Domestic Allotment Act, as amended, parity

and the Price Administrator; and any disagreement between them shall be resolved by the Director. The price of any commodity manufactured or processed in whole or in substantial part from an agricultural commodity shall be established or maintained or adjusted by the Price Administrator, in the same administrative manner provided for under the Emergency Price Control Act of 1942.

4. The provisions of sections 3(a) and 3(c) of the Emergency Price Control Act of 1942 are hereby suspended to the extent that such provisions are inconsistent with any or all prices established under this Order for agricultural commodities, or commodities manufactured or processed in whole or in substantial part from an agricultural commodity.

TITLE V

Profits and Subsidies

1. The Price Administrator in fixing, reducing, or increasing prices, shall determine price ceilings in such a manner that profits are prevented which in his judgment are unreasonable or exorbitant.

2. The Director may direct any Federal department or agency including, but not limited to, the Department of Agriculture (including the Commodity Credit Corporation and the Surplus Marketing Administration), the Department of Commerce, the Reconstruction Finance Corporation, and other corporations organized pursuant to Section 5d of the Reconstruction Finance Corporation Act, as amended, to use its authority to subsidize and to purchase for resale, if such measures are necessary to insure the maximum necessary production and distribution of any commodity, or to maintain ceiling prices, or to prevent a price rise inconsistent with the purposes of this Order.

TITLE VI

General Provisions

1. Nothing in this Order shall be construed as affecting the present operation of the Fair Labor Standards Act, the National Labor Relations Act, the Walsh-Healey Act, the Davis-Bacon Act, or the adjustment procedure of the Railway Labor Act.

2. Salaries and wages under this Order shall include all forms of direct or indirect remuneration to an employee or officer for work or personal services performed for an employer or corporation, including but not limited to, bonuses, additional compensation, gifts, commissions, fees, and any other remuneration in any form or medium whatsoever, (excluding insurance and pension benefits in a reasonable amount as determined by the Director); but for the purpose of determining wages or salaries for any period prior to September 16, 1942, such additional compensation shall be taken into account only in cases where it has been customarily paid by employers to their employees. "Salaries" as used in this Order means remuneration for personal services regularly paid on a weekly, monthly or annual basis.

4. The Director shall be the agency to receive notice of any increase in the rates or charges of common carriers or other public utilities as provided in the aforesaid Act of October 2, 1942.

5. The Director may perform the functions and duties, and exercise the powers, authority, and discretion conferred upon him by this Order through such officials or agencies, and in such manner, as he may determine. The decision of the Director as to such delegation and the manner of exercise thereof shall be final.

6. The Director, if he deems it necessary, may direct that any policy formulated under this Order shall be enforced by any other department or agency under any other power or authority which may be provided by any of the laws of the United States.

7. The Director, who shall be appointed by the President, shall receive such compensation as the President shall provide, and within the limits of funds which may be made available, may employ necessary personnel and make provision for supplies, facilities and services necessary to discharge his responsibilities.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,

October 3, 1942.

FOR THE PRESS

IMMEDIATE RELEASE

OCTOBER 3, 1942

The president today addressed two letters to Leon Henderson, Administrator, Office of Price Administration, the texts of which follow:

I have signed the cost of living stabilization bill.

I wish that you would consult with the Secretary of Agriculture and immediately establish ceiling prices for eggs, chickens, butter, cheese, potatoes, flour and such other foods as can be controlled under existing laws.

In line with my recent message to the Congress, you should consider present governmental payments to agricultural producers, and subsidy payments in arriving at the minimum ceiling prices.

This Government is determined to use all of its powers to prevent any avoidable rise in the cost of living.

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That part of the nation which has not yet been designated within defense rental areas should now be so treated. We should make no distinction between city and country residents as to their participation in the total war effort. Certainly the contribution of agriculture to the effective prosecution of the war is clear. Therefore, our rural population equally deserves to have its rents stabilized.

I wish you would immediately issue appropriate orders to prevent rent increases on urban and rural dwellings. In such areas as you deem appropriate to reduce current rents, I am sure you will proceed to take such action as may be necessary.

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